



7 August 2019

Important notice to unitholders

Important information regarding Vanguard funds and ETFs

We wish to advise a number of important announcements regarding Vanguard funds and ETFs.

All changes are effective **7 August 2019 inclusive**.

What is changing?

Vanguard intends to begin utilising floating rate notes in addition to fixed rate bonds for the following funds and ETFs.

Fund/ETF	PDS
Vanguard Australian Fixed Interest Index Fund	New PDS issued effective 7 August 2019
Vanguard Australian Corporate Fixed Interest Index Fund	New PDS issued effective 7 August 2019
Vanguard Australian Fixed Interest Index ETF	Supplementary PDS issued effective 7 August 2019
Vanguard Australian Corporate Fixed Interest Index ETF	

Why is it changing?

The use of floating rate notes in addition to fixed rate bonds will enable us to seek to track the relevant index more tightly as it will allow us access to the additional pool of liquidity available in the floating rate note market.

What is the difference between fixed rate bonds and floating rate notes?

Fixed rate bonds pay a fixed rate of interest (the coupon rate) for the life of the bond while floating rate notes make interest payments that are tied to some measure of current interest rates, such as the 90 day bank bill swap (BBSW) rate. Typically the coupon will be expressed as a fixed margin above the benchmark rate (e.g 90 day BBSW plus 2%)

Please ensure you refer to the updated Product Disclosure Statements when referring to any of these funds and the Product Disclosure Statement and Supplementary PDS when referring to the ETFs.

Vanguard's current Product Disclosure Statements and Supplementary PDS are available on our website www.vanguard.com.au

If you have any questions, please contact Vanguard Client Services on 1300 655 102 (8:00 am to 6:00 pm Melbourne time, Monday to Friday).

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Vanguard ETFs will only be issued to Authorised Participants. That is, persons who have entered into an Authorised Participant Agreement with Vanguard ("Eligible Investors"). Retail investors can transact in Vanguard ETFs through a stockbroker or financial adviser on the secondary market.

Investors should consider the Product Disclosure Statement and Supplementary PDS in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Product Disclosure Statement and Supplementary PDS for informational purposes. You can access the Product Disclosure Statement and Supplementary PDS at vanguard.com.au.

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