



Important Notice

I would like to advise that the buy and sell spreads for a number of Vanguard's managed funds are changing, with effect from the closing unit prices 8 July 2015. The changes are detailed in the table below.

Buy and sell spreads are transaction costs incurred by investors and paid directly to the fund. The cost reflects the transaction expenses associated with the purchasing and selling of assets within the fund as a direct result of unitholder application/redemption activity. We regularly review buy/sell spreads for our funds to ensure that they accurately reflect the costs of transacting. Vanguard does not profit from buy/sell spreads.

The reductions in spreads for the domestic fixed income funds reflect improved liquidity, resulting from a sustained improvement in market conditions.

The reductions in spreads for the domestic and international equities funds reflect reduced transaction and trading costs achieved as a result of our global scale and process, meaning we are now able to execute trades through our regional offices. The benefits of this process include:

- improved trading efficiencies achieved through
- trade aggregation and better control of trade execution timing and
- experienced in-house traders in local markets
- lower brokerage for both domestic and international funds due to the increase of scale and frequency of the trading activity in each regional office.

Vanguard is continually focused on reducing trade costs and where possible, passing these costs reductions back to unitholders through lower buy and sell spreads.

| APIR code | Retail funds | Old (%) | | New (%) | |
|-----------|---|---------|------|---------|--------|
| | | Buy | Sell | Buy | Sell |
| VAN0012AU | Vanguard® Index Australian Property Securities Fund | 0.15 | 0.15 | ↓ 0.10 | ↓ 0.10 |
| VAN0010AU | Vanguard® Index Australian Shares Fund | 0.15 | 0.10 | ↓ 0.10 | 0.10 |
| VAN0017AU | Vanguard® High Yield Australian Shares Fund | 0.15 | 0.10 | ↓ 0.10 | 0.10 |
| VAN0011AU | Vanguard® Index International Shares Fund | 0.15 | 0.10 | ↓ 0.10 | 0.10 |
| VAN0107AU | Vanguard® Index International Shares Fund (Hedged) | 0.18 | 0.13 | ↓ 0.13 | 0.13 |
| VAN0013AU | Vanguard® LifeStrategy Conservative Fund | 0.14 | 0.12 | ↓ 0.12 | 0.12 |
| VAN0124AU | Vanguard® LifeStrategy Balanced Fund | 0.16 | 0.13 | ↓ 0.13 | 0.13 |
| VAN0014AU | Vanguard® LifeStrategy Growth Fund | 0.16 | 0.13 | ↓ 0.12 | ↓ 0.12 |
| VAN0015AU | Vanguard® LifeStrategy High Growth Fund | 0.17 | 0.13 | ↓ 0.12 | ↓ 0.12 |
| VAN0101AU | Vanguard® Index Diversified Bond Fund | 0.14 | 0.14 | ↓ 0.13 | ↓ 0.13 |

| APIR code | Wholesale funds | Old (%) | | New (%) | |
|-----------|---|---------|------|---------|--------|
| | | Buy | Sell | Buy | Sell |
| VAN0004AU | Vanguard® Australian Property Securities Index Fund | 0.15 | 0.15 | ↓ 0.10 | ↓ 0.10 |
| VAN0018AU | Vanguard® International Property Securities Index Fund | 0.20 | 0.20 | ↓ 0.15 | ↓ 0.15 |
| VAN0019AU | Vanguard® International Property Securities Index Fund (Hedged) | 0.23 | 0.23 | ↓ 0.18 | ↓ 0.18 |
| VAN0002AU | Vanguard® Australian Shares Index Fund | 0.15 | 0.10 | ↓ 0.10 | 0.10 |
| VAN0104AU | Vanguard® Australian Shares High Yield Fund | 0.15 | 0.10 | ↓ 0.10 | 0.10 |
| VAN0003AU | Vanguard® International Shares Index Fund | 0.15 | 0.10 | ↓ 0.10 | 0.10 |
| VAN0105AU | Vanguard® International Shares Index Fund (Hedged) - AUD Class | 0.18 | 0.13 | ↓ 0.13 | 0.13 |
| N/A | Vanguard® International Shares Index Fund (Hedged) - NZD Class | 0.18 | 0.13 | ↓ 0.13 | 0.13 |
| VAN0021AU | Vanguard® International Small Companies Index Fund | 0.25 | 0.20 | ↓ 0.20 | 0.20 |
| VAN0022AU | Vanguard® International Small Companies Index Fund (Hedged) | 0.28 | 0.23 | ↓ 0.23 | 0.23 |
| VAN0005AU | Vanguard® Emerging Markets Shares Index Fund | 0.35 | 0.35 | ↓ 0.30 | ↓ 0.30 |
| VAN0023AU | Vanguard® Global Infrastructure Index Fund | 0.20 | 0.20 | ↓ 0.15 | ↓ 0.15 |
| VAN0024AU | Vanguard® Global Infrastructure Index Fund (Hedged) | 0.25 | 0.25 | ↓ 0.20 | ↓ 0.20 |
| VAN0025AU | Vanguard® Australian Government Bond Index Fund | 0.10 | 0.10 | ↓ 0.08 | ↓ 0.08 |
| VAN0001AU | Vanguard® Australian Fixed Interest Index Fund | 0.12 | 0.12 | ↓ 0.10 | ↓ 0.10 |
| VAN0065AU | Vanguard® Australian Corporate Fixed Interest Index Fund | 0.22 | 0.22 | ↓ 0.20 | ↓ 0.20 |
| VAN0109AU | Vanguard® Conservative Index Fund | 0.14 | 0.12 | ↓ 0.12 | 0.12 |
| VAN0108AU | Vanguard® Balanced Index Fund | 0.16 | 0.13 | ↓ 0.13 | 0.13 |
| VAN0110AU | Vanguard® Growth Index Fund | 0.16 | 0.13 | ↓ 0.12 | ↓ 0.12 |
| VAN0111AU | Vanguard® High Growth Index Fund | 0.17 | 0.13 | ↓ 0.12 | ↓ 0.12 |
| VAN0042AU | Vanguard® Diversified Bond Index Fund | 0.14 | 0.14 | ↓ 0.13 | ↓ 0.13 |