



25 September 2020

Important notice to unitholders

Important information regarding Vanguard Investor Funds

As part of our ongoing commitment to improve the overall investing experience with Vanguard, and to simplify our fees and modernise our offer, we are making a number of important changes to the Vanguard Investor Funds.

New fund administrator

Vanguard has appointed FNZ Australia Pty Ltd (FNZ) as the fund administrator for the Vanguard Investor Funds (Retail Funds). The transition of fund administration to FNZ is expected to occur from **16 October 2020 (Transition Date)**. We will notify you of any update to the Transition Date via the website.

Changes to Fees

Effective **1 October 2020**, the management fee of each Retail Fund will be simplified from a three tiered fee structure to a single management fee:

Fund	APIR code	New management fee % per annum	Current management fee % per annum		
			First \$50,000	Next \$50,000	Balance over \$100,000
Sector Funds					
Vanguard Investor Short Term Fixed Interest Fund*	VAN0100AU	0.19%	0.70%	0.50%	0.35%
Vanguard Index Diversified Bond Fund	VAN0101AU	0.29%	0.75%	0.50%	0.35%
Vanguard Index Australian Shares Fund	VAN0010AU	0.16%	0.75%	0.50%	0.35%
Vanguard High Yield Australian Shares Fund	VAN0017AU	0.35%	0.90%	0.60%	0.45%
Vanguard Index Australian Property Securities Fund	VAN0012AU	0.23%	0.90%	0.60%	0.35%
Vanguard Index International Shares Fund	VAN0011AU	0.18%	0.90%	0.60%	0.35%
Vanguard Index Hedged International Shares Fund	VAN0107AU	0.21%	0.90%	0.60%	0.35%
Diversified Index Funds					
Vanguard LifeStrategy® Conservative Fund	VAN0013AU	0.29%	0.90%	0.60%	0.29%
Vanguard LifeStrategy® Balanced Fund	VAN0124AU	0.29%	0.90%	0.60%	0.29%
Vanguard LifeStrategy® Growth Fund	VAN0014AU	0.29%	0.90%	0.60%	0.29%
Vanguard LifeStrategy® High Growth Fund	VAN0015AU	0.29%	0.90%	0.60%	0.29%

*Effective 1 October 2020, the Vanguard Investor Cash Plus Fund is renamed the Vanguard Investor Short Term Fixed Interest Fund.

Please note that by moving to a single tier fee structure, we will no longer be offering rebates on management fees. All existing rebate arrangements will cease from 30 September 2020.

Changes to the way you invest with Vanguard

We are making some changes to the way you invest with Vanguard, including the closure of the Retail Funds to new investors. New retail investors can access the equivalent Wholesale Funds through Vanguard Personal Investor, a master trust, wrap platform or a nominee or custody service.

To find out if you are eligible to invest in a Fund directly or if you would like further information regarding Vanguard Personal Investor, please visit www.vanguard.com.au/personal or contact us.

Please review these changes carefully and consider how they may impact you.

Effective 1 October 2020

Change	Description
No new applications	We will not accept applications from new investors into our Retail Funds that are received after the cut-off time of 1:00 pm (AEDT/AEST) on 30 September 2020.
No switching	We will no longer accept requests to switch all or part of an investment between any Retail or Wholesale Fund received after the cut-off time of 1:00pm (AEDT/AEST) on 30 September 2020.
Limited transfers	<p>We will not accept requests to transfer units in a Retail Fund to another person or entity that are received after the cut-off time of 1:00pm (AEDT/AEST) on 30 September 2020 except in the following circumstances:</p> <ul style="list-style-type: none">• Transfers relating to a deceased estate• Transfers to minors who have come of age• Transfers that are required by law• Any other purpose we deem appropriate at our discretion and with our prior approval. <p>We will continue to facilitate transfers of units to an existing investor within the same Retail Fund.</p>

Effective from the Transition Date

Change	Description
No minimums on withdrawal or account balances	We are removing the minimum withdrawal and minimum account balance amounts for each Retail Fund.
Additional investment only	You will only be able to buy and sell units in a fund you are currently invested in.
Additional investment – by BPAY®	<p>A minimum of \$10 is required for additional investments made by BPAY® up to a maximum of \$1,000,000 per transaction.</p> <p>Provided your BPAY request is made before your financial institution's cut-off time, Vanguard will typically receive your funds before 1:00pm AEDT/AEST on the following Melbourne business day. Units will only be issued once we receive your funds and at the unit price applicable to the day payment is received.</p>
Additional investment – by cheque	<p>A minimum of \$100,000 is required for additional investments made by cheque.</p> <p>Please note that additional investments received by cheque will not be processed until funds have cleared. Units will only be issued (i) once funds have cleared at our bank and (ii) at the unit prices applicable to the day funds have cleared.</p>
Fax instructions	<p>We will no longer accept investment or withdrawal instructions by fax.</p> <p>For further information on how you can provide us with instructions, please refer to the following section relating to Vanguard Online.</p>

Updates to Vanguard Online

If you are an eligible accountholder, you will need to register for the new Vanguard Online which will offer new features and an enhanced investor experience. Over the coming weeks, we will contact you with more information around these changes and how you can register for access.

Eligible accountholders are:

- Primary and secondary accountholders on individual and joint accounts; and
- Trustee(s), director(s) and company secretary on SMSF, trust, company, partnership and association accounts.

Vanguard Online access is not available for the following account types:

- Accounts attached to a margin loan
- Accounts involving deceased estates

An updated Product Disclosure Statement (PDS) will be issued in the coming days reflecting these changes and other recently announced updates. To ensure you are investing with the most up to date information, you can access the latest PDS by visiting our [website](#).

**If you have any questions, please contact Vanguard Client Services
(8:00 am to 6:00 pm AEST/AEDT, Monday to Friday):**

SMSF & individual investors – **1300 655 101**
Financial advisers – **1300 655 205**
Institutional investors – **1300 655 102**

Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263 is the product issuer. We have not taken your circumstances into account when preparing the above information so it may not be applicable to your circumstances. You should consider your circumstances and our Product Disclosure Statements (PDS) before making any investment decision. You can access our PDSs at vanguard.com.au or by calling 1300 655 102. Past performance is not an indication of future performance. This publication was prepared in good faith and we accept no liability for any errors and omissions.

© 2020 Vanguard Investments Australia Ltd. All rights reserved.