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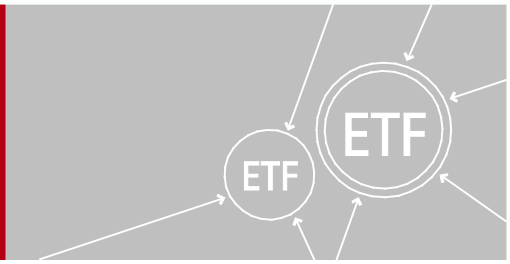
Annual Report

for the Vanguard® Exchange Traded Funds (ETF)



10 September 2019

Vanguard Investments Australia Ltd announces the following: Vanguard has prepared an Annual Report for the ETFs listed below, for the financial year ending 30 June 2019. The Annual Report provides financial information for each fund and where indicated, provides specific information for the ETF class (where applicable).

ETF	ASX CODE	ANNOUNCEMENT
Vanguard FTSE Asia ex Japan Shares Index ETF	VAE	Annual Report
Vanguard FTSE Europe Shares ETF	VEQ	Annual Report
Vanguard FTSE Emerging Markets Shares ETF	VGE	Annual Report
Vanguard MSCI Index International Shares ETF	VGS	Annual Report
Vanguard Global Value Equity Active ETF	VVLU	Annual Report
Vanguard Global Infrastructure Index ETF	VBLD	Annual Report
Vanguard Global Multi-Factor Active ETF	VGMF	Annual Report
Vanguard International Small Companies Index ETF	VISM	Annual Report

Further Information

If you have any queries on Vanguard ETFs, please visit vanguard.com.au

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The funds or securities referred to herein are not sponsored, endorsed or promoted by MSCI and MSCI bears no liability with respect to any such funds or securities. The Product Disclosure Statement contains a more detailed description of the limited relationship MSCI has with The Vanguard Group and any related funds.

Information about the Vanguard FTSE Emerging Markets Shares ETF and Vanguard FTSE Europe Shares ETF is not intended for persons present in the United States of America. Retail investors can only use the PDS for informational purposes. You can access the PDS at vanguard.com.au.

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Annual Report | 30 June 2019

Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

2018-2019

Responsible Entity

Vanguard Investments Australia Ltd
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Vanguard Wholesale International Equities Funds (Unhedged) and ETFs

Vanguard FTSE Asia ex Japan Shares Index ETF	ASX: VAE	ARSN 606 451 110	ABN 50 411 576 623
Vanguard Emerging Markets Shares Index Fund		ARSN 090 939 450	ABN 63 171 298 643
Vanguard FTSE Europe Shares ETF	ASX: VEQ	ARSN 606 480 086	ABN 30 252 933 265
Vanguard FTSE Emerging Markets Shares ETF	ASX: VGE	ARSN 147 937 906	ABN 91 542 729 566
Vanguard International Property Securities Index Fund		ARSN 115 001 002	ABN 97 674 886 440
Vanguard Global Value Equity Fund	ASX: VVLU	ARSN 613 053 062	ABN 71 928 129 734
Vanguard Global Infrastructure Index Fund	ASX: VBLD	ARSN 128 385 277	ABN 82 191 294 545
Vanguard Global Multi-Factor Fund	ASX: VGMF	ARSN 630 597 929	ABN 87 721 624 679
Vanguard International Shares Index Fund	ASX: VGS	ARSN 090 939 610	ABN 56 291 101 711
Vanguard International Small Companies Index Fund	ASX: VISM	ARSN 127 015 472	ABN 20 372 713 731

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Contents

Directors' report	5
Auditor's independence declaration	11
Statements of comprehensive income	12
Balance sheets	15
Statements of changes in equity	18
Statements of cash flows	20
Notes to the financial statements	23
Directors' declaration	72
Independent auditor's report to the Unitholders of Vanguard Wholesale International Equities Funds (Unhedged) and ETFs	73

About Vanguard

Since our establishment in 1975, Vanguard has strived to be the world's highest-value provider of investment products and services. We have an unwavering focus on our clients with a commitment to champion what's best for investors by offering outstanding service, while keeping costs low.

Over the years Vanguard has built a reputation as a global leader in client advocacy and earned the trust of millions of investors along the way. Our sole purpose has been to align our interest with those of our investors to ensure they have the best chance for investment success.

With more than AUD $7.9 trillion in assets under management as of 30 June 2019, including more than AUD $1.5 trillion in ETFs, Vanguard is one of the world's largest global investment management companies.

In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

Our unique structure – putting investors' interests first

What sets Vanguard apart – and allows Vanguard to put investors first around the world – is the ownership structure of The Vanguard Group, Inc., in the United States.

Rather than being publicly traded or owned by a small group of individuals, the Vanguard Group is owned by Vanguard's US-domiciled funds and ETFs. Those funds, in turn, are owned by their investors.

This mutual structure aligns our interests with those of our investors and drives the culture, philosophy and policies throughout the Vanguard organisation worldwide. As a result, Australian investors benefit from Vanguard's stability and experience, low costs and client focus.

Our investment expertise

When you invest with Vanguard, you have more than 40 years of investing experience behind you. So no matter which investment products suit your needs, you can feel confident that Vanguard investments are built on a rigorous investment philosophy that stands the test of time.

Low-cost investing

We know we can't control the markets, but we can control the costs of investing. To that end, providing low-cost investments isn't a pricing strategy for us. It's how we do business.

We can keep costs low because of our unique ownership structure in the United States, which allows us to return profits to investors through lower costs.

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Directors' report

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) & ETFs (the "Funds") for the year ended 30 June 2019 was Vanguard Investments Australia Ltd (the "Responsible Entity").

The directors of Vanguard Investments Australia Ltd present their report together with the financial statements for the year ended 30 June 2019.

Principal activities

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax.

The ETF Class units of the Funds operate as Exchange Traded Funds (ETFs) listed on the Australian Securities Exchange (ASX).

The Vanguard Global Infrastructure Index Fund ETF Class units were listed and commenced trading on 23 October 2018.

The Vanguard International Small Companies Index Fund ETF Class units were listed and commenced trading on 13 November 2018.

The Vanguard Global Multi-Factor Fund inception date was 3 January 2019 and commenced trading on 8 April 2019.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the activities of the Funds during the year.

Directors

The following persons held office as directors of the Responsible Entity during the year and up to the date of this report:

J M Norris

C Kelton (Resigned 4 September 2018)

L Carr (Resigned 1 March 2019)

C Lui

J Platt

F Kolimago (Appointed 4 September 2018)

Review and results of operations

The Funds invest in listed equity securities, listed unit trusts, derivatives and cash and cash equivalents. The investment policy of the Funds continue to be in accordance with the provisions of the Funds' Constitution.

Results

The results of the operations of the Funds were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
Operating profit/(loss) before finance costs attributable to unitholders ($'000)	**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593
Distributions - Wholesale Class								
Distribution paid and payable ($'000)	**-**	-	**39,692**	25,111	**-**	-	**-**	-
Distribution (cents per unit)	**-**	-	**7.0206**	4.4189	**-**	-	**-**	-
Distributions - ETF Class								
Distribution paid and payable ($'000)	**2,932**	1,913	**-**	-	**6,162**	4,461	**5,525**	2,991
Distribution (cents per unit)	**140.7332**	181.5226	**-**	-	**149.2453**	142.2848	**138.4932**	112.7412

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Directors' report (continued)

Review and results of operations (continued)

Results (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
Operating profit/(loss) before finance costs attributable to unitholders ($'000)	**219,690**	134,175	**(1,008)**	2,597	**98,494**	25,004
Distributions - Wholesale Class						
Distribution paid and payable ($'000)	**87,406**	151,854	**445**	1,865	**21,030**	18,155
Distribution (cents per unit)	**5.7425**	9.7486	**4.0722**	10.9394	**4.6644**	6.2244
Distributions - ETF Class						
Distribution paid and payable ($'000)	**-**	-	**329**	296	**136**	-
Distribution (cents per unit)	**-**	-	**118.1267**	246.8478	**76.7828**	-

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
Operating profit/(loss) before finance costs attributable to unitholders ($'000)	**192**	**1,826,192**	2,038,433	**23,769**	112,015
Distributions - Wholesale Class					
Distribution paid and payable ($'000)	**9**	**712,107**	468,471	**43,666**	38,757
Distribution (cents per unit)	**0.5903**	**11.5880**	7.7369	**8.3953**	9.5613
Distributions - ETF Class					
Distribution paid and payable ($'000)	**84**	**39,531**	23,820	**316**	-
Distribution (cents per unit)	**29.3151**	**190.7607**	165.9427	**196.8638**	-
Distributions - B Class					
Distribution paid and payable ($'000)	**-**	**13,932**	9,203	**-**	-
Distribution (cents per unit)	**-**	**192.6054**	164.8835	**-**	-

Performance

The table below details the performance of the Funds as represented by the total return, net of fees, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total return is shown for the past five years to 30 June 2019 and assumes that all distributions were re-invested during that period. These are calculated in accordance with FSC Standard 6.0 Product Performance - calculation and presentation of returns. The directors assess the performance of the Funds by comparing each Fund's total return with the corresponding Index (the "Benchmark") gross of fees.

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard FTSE Asia ex Japan Shares Index ETF					
Capital growth	**2.47**	9.40	17.30	0.09	-
Distribution of income	**2.25**	3.19	3.65	1.03	-
Total return	**4.72**	12.59	20.95	1.12	-
Benchmark					
FTSE Asia Pacific ex Japan, Australia and New Zealand Index (with net dividends reinvested) in AUD	**5.06**	12.69	21.43	1.17	-

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Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard Emerging Markets Shares Index Fund					
Capital growth	**2.67**	9.48	14.75	(14.28)	13.69
Distribution of income	**3.42**	2.36	4.77	4.67	2.46
Total return	**6.09**	11.84	19.52	(9.61)	16.15
Benchmark					
MSCI Emerging Markets Index (with net dividends reinvested) in AUD	**6.56**	12.33	20.12	(9.22)	16.51

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard FTSE Europe Shares ETF					
Capital growth	**2.88**	5.72	14.59	(9.96)	-
Distribution of income	**2.83**	2.79	2.88	2.19	-
Total return	**5.71**	8.51	17.47	(7.77)	-
Benchmark					
FTSE Developed Europe All Cap Index (with net dividends reinvested) in AUD	**6.53**	10.34	18.29	(8.50)	-

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard FTSE Emerging Markets Shares ETF					
Capital growth	**5.89**	7.31	12.56	(11.03)	16.37
Distribution of income	**2.31**	1.91	2.00	1.76	2.34
Total return	**8.20**	9.22	14.56	(9.27)	18.71
Benchmark					
FTSE Emerging Markets All Cap China A Inclusion Index (with net dividends reinvested) in AUD	**8.41**	10.56	15.88	(10.06)	20.13

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard International Property Securities Index Fund					
Capital growth	**7.99**	(0.07)	(11.64)	12.65	17.21
Distribution of income	**5.69**	9.26	6.93	7.89	6.10
Total return	**13.68**	9.19	(4.71)	20.54	23.31
Benchmark					
FTSE EPRA/NAREIT Developed ex-Australia Rental index (with net dividends reinvested) in AUD	**13.46**	8.95	(4.83)	20.44	23.14

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard Global Value Equity Fund					
Capital growth	**(5.41)**	4.71	11.08	-	-
Distribution of income	**3.52**	10.05	4.80	-	-
Total return	**(1.89)**	14.76	15.88	-	-
Benchmark					
FTSE Developed All-Cap Index in AUD	**10.47**	15.62	11.95	-	-

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Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard Global Infrastructure Index Fund					
Capital growth	**17.26**	3.03	(1.43)	7.36	6.66
Distribution of income	**4.48**	5.90	7.02	4.21	9.65
Total return	**21.74**	8.93	5.59	11.57	16.31
Benchmark					
FTSE Developed Core Infrastructure Index (with net dividends reinvested) in AUD	**21.76**	8.98	5.52	11.69	16.38

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard Global Multi-Factor Fund					
Capital growth	**0.66**	-	-	-	-
Distribution of income	**0.59**	-	-	-	-
Total return	**1.25**	-	-	-	-
Benchmark					
*FTSE Developed All-Cap Index in AUD**	**2.94**	-	-	-	-

**From inception to 30 June 2019*

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard International Shares Index Fund					
Capital growth	**6.47**	11.35	7.62	(2.76)	19.57
Distribution of income	**5.63**	4.09	7.19	3.34	5.72
Total return	**12.10**	15.44	14.81	0.58	25.29
Benchmark					
MSCI World ex-Australia Index (with net dividends reinvested) in AUD	**11.95**	15.39	14.73	0.40	25.18

	2019 %	2018 %	2017 %	2016 %	2015 %
Vanguard International Small Companies Index Fund					
Capital growth	**(2.85)**	12.54	9.59	(7.04)	15.95
Distribution of income	**5.12**	6.51	7.83	6.03	9.25
Total return	**2.27**	19.05	17.42	(1.01)	25.20
Benchmark					
MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in AUD	**2.36**	19.19	17.52	(0.94)	25.44

Investors should be aware that past performance is not necessarily an indicator of future performance.

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Directors' report (continued)

Review and results of operations (continued)

Unit redemption prices

Unit redemption prices (quoted including distribution) are shown as follows:

	At 30 June		Period high		Period low	
	2019	2018	**2019**	2018	**2019**	2018
	$	$	**$**	$	**$**	$
Vanguard FTSE Asia ex Japan Shares Index ETF	**66.3611**	65.0727	**68.3702**	68.6971	**56.9343**	58.4136
Vanguard Emerging Markets Shares Index Fund	**2.1858**	2.1187	**2.2246**	2.2798	**1.9058**	1.9194
Vanguard FTSE Europe Shares ETF	**56.9607**	55.3680	**57.6235**	57.5080	**48.0810**	50.5602
Vanguard FTSE Emerging Markets Shares ETF	**68.0283**	64.1828	**69.6496**	70.0253	**58.0141**	59.7384
Vanguard International Property Securities Index Fund	**1.1759**	1.1481	**1.2268**	1.1492	**1.0248**	0.9878
Vanguard Global Value Equity Fund - Wholesale Class	**1.1287**	1.2357	**1.2245**	1.2637	**0.9775**	1.0577
Vanguard Global Value Equity Fund - ETF Class	**48.5051**	52.4138	**52.6248**	53.6038	**42.0053**	50.0000
Vanguard Global Infrastructure Index Fund - Wholesale Class	**1.3226**	1.1542	**1.3596**	1.1577	**1.1000**	1.0103
Vanguard Global Infrastructure Index Fund - ETF Class	**57.3181**	-	**58.9173**	-	**47.3072**	-
Vanguard Global Multi-Factor Fund - Wholesale Class	**1.0115**	-	**1.0243**	-	**0.9622**	-
Vanguard Global Multi-Factor Fund - ETF Class	**50.6237**	-	**51.2640**	-	**48.1538**	-
Vanguard International Shares Index Fund - Wholesale Class	**2.3610**	2.2155	**2.3979**	2.2520	**1.9635**	1.8977
Vanguard International Shares Index Fund - ETF Class	**75.5426**	69.4441	**76.7704**	70.5295	**62.2143**	59.3608
Vanguard International Shares Index Fund - B Class	**75.0030**	68.9704	**76.2220**	70.0483	**61.7774**	58.9495
Vanguard International Small Companies Index Fund - Wholesale Class	**1.6928**	1.7614	**1.7933**	1.8042	**1.4167**	1.4488
Vanguard International Small Companies Index Fund - ETF Class	**52.7716**	-	**53.6997**	-	**43.8783**	-

Significant changes in state of affairs

On 1 July 2018, Vanguard Global Value Equity Fund lost its AMIT status as it no longer meets the AMIT tax regime qualification.

On 1 November 2018, Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard International Property Securities Index Fund, Vanguard Global Value Equity Fund, Vanguard Global Infrastructure Index Fund, Vanguard International Shares Index Fund and Vanguard International Small Companies Index Fund entered into securities lending arrangements.

The Vanguard Global Infrastructure Index Fund ETF Class units were listed and commenced trading on 23 October 2018.

The Vanguard International Small Companies Index Fund ETF Class units were listed and commenced trading on 13 November 2018.

The Vanguard Global Multi-Factor Fund inception date was 3 January 2019 and commenced trading on 8 April 2019.

Colin Kelton resigned as a Director of Vanguard Investments Australia Ltd on 4 September 2018.

Frank Kolimago was appointed as a Director of Vanguard Investments Australia Ltd on 4 September 2018.

Lucy Carr resigned as a Director of Vanguard Investments Australia Ltd on 1 March 2019.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Funds that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

(i) the operations of the Funds in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the state of affairs of the Funds in future financial years.

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Directors' report (continued)

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnity and insurance of officers and auditors

No insurance premiums were paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of Vanguard Investments Australia Ltd or the auditors of the Funds. So long as the officers of Vanguard Investments Australia Ltd act in accordance with the Funds' Constitution and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in note 14 of the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 9 of the financial statements.

The value of the Funds' assets and liabilities are disclosed on the balance sheet and derived using the basis set out in note 2 of the financial statements.

Environmental Regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 10.

This report is made in accordance with a resolution of the directors.

F Kolimago

Managing Director

Melbourne

3 September 2019

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Auditor's Independence Declaration for Vanguard Wholesale International Equities Funds (Unhedged) & ETFs:

- Vanguard FTSE Asia ex Japan Shares Index ETF
- Vanguard Emerging Markets Shares Index Fund
- Vanguard FTSE Europe Shares ETF
- Vanguard FTSE Emerging Markets Shares ETF
- Vanguard International Property Securities Index Fund
- Vanguard Global Value Equity Fund
- Vanguard Global Infrastructure Index Fund
- Vanguard Global Multi-Factor Fund
- Vanguard International Shares Index Fund
- Vanguard International Small Companies Index Fund

As lead auditor for the audit of Vanguard Wholesale International Equities Funds (Unhedged) & ETFs for the period ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Britt Hawkins
Partner
PricewaterhouseCoopers

Melbourne
3 September 2019

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Statements of comprehensive income

For the year ended 30 June 2019

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Investment income									
Interest income		**5**	-	**63**	41	**3**	-	**3**	2
Dividend income		**3,453**	1,520	**31,667**	32,101	**-**	-	**-**	-
Distribution income		**50**	23	**471**	523	**6,434**	4,865	**5,790**	3,553
Net gains/(losses) on financial instruments at fair value through profit or loss	5	**3,766**	1,339	**47,318**	114,707	**7,434**	6,254	**17,738**	6,598
Other operating income		**221**	288	**106**	5	**14**	40	**33**	44
Total net investment income/(loss)		**7,495**	3,170	**79,625**	147,377	**13,885**	11,159	**23,564**	10,197
Expenses									
Responsible Entity's fees	14	**495**	217	**6,410**	7,340	**580**	351	**909**	589
Custody fees		**66**	94	**107**	37	**2**	2	**1**	2
Transaction costs		**29**	25	**227**	268	**2**	4	**5**	12
Other operating expenses		**63**	22	**243**	649	**-**	10	**-**	1
Total operating expenses		**653**	358	**6,987**	8,294	**584**	367	**915**	604
Operating profit/(loss)		**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593
Finance costs attributable to unitholders									
Distributions to unitholders	10	**-**	-	**-**	-	**-**	-	**-**	-
(Increase)/decrease in net assets attributable to unitholders	9	**-**	-	**-**	-	**-**	-	**-**	-
Profit/(loss) for the year		**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593
Other comprehensive income		**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive income for the year		**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

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Statements of comprehensive income (continued)

For the year ended 30 June 2019

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Investment income							
Interest income		**10**	34	**1**	-	**15**	12
Dividend income		**6,059**	5,284	**764**	428	**12,784**	8,671
Distribution income		**61,163**	61,111	**12**	15	**1,282**	856
Net gains/(losses) on financial instruments at fair value through profit or loss	5	**160,724**	75,703	**(1,607)**	2,255	**86,783**	16,780
Other operating income		**420**	102	**10**	13	**99**	280
Total net investment income/(loss)		**228,376**	142,234	**(820)**	2,711	**100,963**	26,599
Expenses							
Responsible Entity's fees	14	**6,859**	6,986	**102**	67	**2,310**	1,538
Custody fees		**61**	44	**36**	25	**30**	31
Transaction costs		**115**	239	**14**	8	**45**	26
Other operating expenses		**1,651**	790	**36**	14	**84**	-
Total operating expenses		**8,686**	8,059	**188**	114	**2,469**	1,595
Operating profit/(loss)		**219,690**	134,175	**(1,008)**	2,597	**98,494**	25,004
Finance costs attributable to unitholders							
Distributions to unitholders	10	**-**	-	**(774)**	(2,161)	**(21,166)**	-
(Increase)/decrease in net assets attributable to unitholders	9	**-**	-	**1,782**	(436)	**(77,328)**	-
Profit/(loss) for the year		**219,690**	134,175	**-**	-	**-**	25,004
Other comprehensive income		**-**	-	**-**	-	**-**	-
Total comprehensive income for the year*		**219,690**	134,175	**-**	-	**-**	25,004

**Effective from 1 July 2018, Vanguard Global Infrastructure Index Fund units have been reclassified from equity to financial liability.*

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

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Statements of comprehensive income (continued)

For the year ended 30 June 2019

	Notes	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Investment income						
Interest income		**-**	**478**	215	**16**	4
Dividend income		**97**	**329,441**	289,838	**11,424**	8,294
Distribution income		**3**	**14,208**	11,570	**3,259**	2,430
Net gains/(losses) on financial instruments at fair value through profit or loss	5	**103**	**1,506,515**	1,766,178	**12,148**	103,916
Other operating income		**11**	**4,495**	799	**288**	75
Total net investment income/(loss)		**214**	**1,855,137**	2,068,600	**27,135**	114,719
Expenses						
Responsible Entity's fees	14	**11**	**27,722**	25,323	**3,120**	2,453
Custody fees		**-**	**43**	52	**37**	47
Transaction costs		**2**	**106**	180	**45**	50
Other operating expenses		**9**	**1,074**	4,612	**164**	154
Total operating expenses		**22**	**28,945**	30,167	**3,366**	2,704
Operating profit/(loss)		**192**	**1,826,192**	2,038,433	**23,769**	112,015
Finance costs attributable to unitholders						
Distributions to unitholders	10	**(93)**	**(765,570)**	(501,494)	**(43,982)**	-
(Increase)/decrease in net assets attributable to unitholders	9	**(99)**	**(1,060,622)**	(1,536,939)	**20,213**	-
Profit/(loss) for the year		**-**	**-**	-	**-**	112,015
Other comprehensive income		**-**	**-**	-	**-**	-
Total comprehensive income for the year*		**-**	**-**	-	**-**	112,015

**Effective from 1 July 2018, Vanguard International Small Companies Index Fund units have been reclassified from equity to financial liability.*

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

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Balance sheets

As at 30 June 2019

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Assets									
Cash and cash equivalents	11	**614**	700	**10,683**	12,933	**334**	166	**373**	218
Margin accounts		**74**	79	**780**	1,264	**-**	-	**-**	-
Receivables		**57**	32	**1,650**	2,689	**15**	10	**26**	16
Accrued income		**779**	393	**5,404**	4,265	**-**	-	**-**	-
Due from brokers - receivable for securities sold		**1**	2	**8**	12	**2,964**	2,590	**1,497**	845
Financial assets at fair value through profit or loss	6	**167,676**	95,932	**1,280,087**	994,605	**236,623**	191,782	**315,443**	203,977
Total assets		**169,201**	97,138	**1,298,612**	1,015,768	**239,936**	194,548	**317,339**	205,056
Liabilities									
Distribution payable	10	**1,447**	1,285	**19,719**	8,018	**3,596**	2,927	**1,737**	936
Payables		**54**	37	**7,684**	1,635	**53**	43	**101**	64
Other liabilities		**70**	-	**645**	-	**-**	-	**-**	-
Due to brokers - payables for securities purchased		**-**	-	**-**	95	**-**	-	**-**	-
Financial liabilities at fair value through profit or loss	7	**-**	-	**-**	123	**-**	-	**-**	-
Total liabilities		**1,571**	1,322	**28,048**	9,871	**3,649**	2,970	**1,838**	1,000
Net assets attributable to unitholders (equity)*	9	**167,630**	95,816	**1,270,564**	1,005,897	**236,287**	191,578	**315,501**	204,056

**Effective from 1 July 2017, Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard FTSE Europe Shares ETF and Vanguard FTSE Emerging Markets Shares ETF units have been reclassified from financial liability to equity.*

The above balance sheets should be read in conjunction with the accompanying notes.

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Balance sheets (continued)

As at 30 June 2019

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Assets							
Cash and cash equivalents	11	**19,595**	13,687	**528**	134	**10,152**	6,135
Margin accounts		**1,311**	557	**11**	12	**452**	260
Receivables		**11,078**	42,844	**24**	25	**4,308**	278
Accrued income		**6,863**	6,551	**34**	34	**1,458**	862
Due from brokers - receivable for securities sold		**79**	17	**338**	330	**6**	-
Financial assets at fair value through profit or loss	6	**1,886,522**	1,681,608	**22,706**	27,445	**675,263**	327,612
Total assets		**1,925,448**	1,745,264	**23,641**	27,980	**691,639**	335,147
Liabilities							
Distribution payable	10	**16,558**	102,941	**426**	1,584	**10,490**	12,747
Payables		**962**	1,042	**6**	7	**410**	281
Due to brokers - payables for securities purchased		**20,460**	-	**476**	-	**2,299**	-
Financial liabilities at fair value through profit or loss	7	**159**	30	**-**	2	**44**	18
Total liabilities		**38,139**	104,013	**908**	1,593	**13,243**	13,046
Net assets attributable to unitholders (equity)*	9	**1,887,309**	1,641,251	**-**	-	**-**	322,101
Net assets attributable to unitholders (liability)**	9	**-**	-	**22,733**	26,387	**678,396**	-

**Effective from 1 July 2017, Vanguard International Property Securities Index Fund and Vanguard Global Infrastructure Index Fund units have been reclassified from financial liability to equity.*

***Effective from 1 July 2018, Vanguard Global Infrastructure Index Fund units have been reclassified from equity to financial liability.*

The above balance sheets should be read in conjunction with the accompanying notes.

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Balance sheets (continued)

As at 30 June 2019

	Notes	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Assets						
Cash and cash equivalents	11	**66**	**86,110**	189,547	**7,437**	3,788
Margin accounts		**6**	**6,237**	11,063	**474**	231
Receivables		**3**	**71,996**	28,974	**621**	389
Accrued income		**20**	**17,438**	15,327	**1,255**	840
Due from brokers - receivable for securities sold		**81**	**4**	55	**12,569**	5,785
Financial assets at fair value through profit or loss	6	**15,833**	**16,916,804**	14,555,308	**914,064**	718,968
Total assets		**16,009**	**17,098,589**	14,800,274	**936,420**	730,001
Liabilities						
Distribution payable	10	**93**	**362,699**	322,005	**27,350**	29,174
Payables		**5**	**34,010**	133,129	**10,576**	5,375
Due to brokers - payables for securities purchased		**-**	**-**	-	**1,156**	702
Financial liabilities at fair value through profit or loss	7	**-**	**-**	101	**3**	35
Total liabilities		**98**	**396,709**	455,235	**39,085**	35,286
Net assets attributable to unitholders (equity)*	9	**-**	**-**	-	**-**	694,715
Net assets attributable to unitholders (liability)**	9	**15,911**	**16,701,880**	14,345,039	**897,335**	-

**Effective from 1 July 2017, Vanguard International Small Companies Index Fund units have been reclassified from financial liability to equity.*

***Effective from 1 July 2018, Vanguard International Small Companies Index Fund units have been reclassified from equity to financial liability.*

The above balance sheets should be read in conjunction with the accompanying notes.

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Statements of changes in equity

For the year ended 30 June 2019

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Total equity at the beginning of the financial year		**95,816**	-	**1,005,897**	-	**191,578**	-	**204,056**	-
Reclassification due to AMIT tax regime implementation*	9	**-**	27,326	**-**	1,126,765	**-**	82,374	**-**	110,433
Comprehensive income for the year									
Profit/(loss) for the year		**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593
Other comprehensive income		**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive income for the year		**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593
Transactions with unitholders									
Applications		**67,518**	67,418	**359,070**	249,121	**37,359**	102,802	**93,835**	93,591
Redemptions		**-**	-	**(149,654)**	(509,340)	**-**	-	**-**	(6,785)
Units issued upon reinvestment of distributions		**386**	173	**22,305**	25,379	**211**	71	**486**	215
Distributions paid and payable		**(2,932)**	(1,913)	**(39,692)**	(25,111)	**(6,162)**	(4,461)	**(5,525)**	(2,991)
Total transactions with unitholders		**64,972**	65,678	**192,029**	(259,951)	**31,408**	98,412	**88,796**	84,030
Total equity at the end of the financial year		**167,630**	95,816	**1,270,564**	1,005,897	**236,287**	191,578	**315,501**	204,056

**Effective from 1 July 2017, Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard FTSE Europe Shares ETF and Vanguard FTSE Emerging Markets Shares ETF units have been reclassified from financial liability to equity.*

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Total equity at the beginning of the financial year		**1,641,251**	-	**-**	-	**322,101**	-
Reclassification due to AMIT tax regime implementation*	9	**-**	1,815,988	**-**	-	**(322,101)**	252,521
Comprehensive income for the year							
Profit/(loss) for the year		**219,690**	134,175	**-**	-	**-**	25,004
Other comprehensive income		**-**	-	**-**	-	**-**	-
Total comprehensive income for the year		**219,690**	134,175	**-**	-	**-**	25,004
Transactions with unitholders							
Applications		**660,842**	914,288	**-**	-	**-**	171,012
Redemptions		**(670,059)**	(1,186,335)	**-**	-	**-**	(117,559)
Units issued upon reinvestment of distributions		**122,991**	114,989	**-**	-	**-**	9,278
Distributions paid and payable		**(87,406)**	(151,854)	**-**	-	**-**	(18,155)
Total transactions with unitholders		**26,368**	(308,912)	**-**	-	**-**	44,576
Total equity at the end of the financial year		**1,887,309**	1,641,251	**-**	-	**-**	322,101

**Effective from 1 July 2017, Vanguard International Property Securities Index Fund and Vanguard Global Infrastructure Index Fund units have been reclassified from financial liability to equity.*

**Effective from 1 July 2018, Vanguard Global Infrastructure Index Fund units have been reclassified from equity to financial liability.*

The above statements of changes in equity should be read in conjunction with the accompanying notes.

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Statements of changes in equity (continued)

For the year ended 30 June 2019

	Notes	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Total equity at the beginning of the financial year		**-**	**-**	-	**694,715**	-
Reclassification due to AMIT tax regime implementation*	9	**-**	**-**	-	**(694,715)**	400,532
Comprehensive income for the year						
Profit/(loss) for the year		**-**	**-**	-	**-**	112,015
Other comprehensive income		**-**	**-**	-	**-**	-
Total comprehensive income for the year		**-**	**-**	-	**-**	112,015
Transactions with unitholders						
Applications		**-**	**-**	-	**-**	248,773
Redemptions		**-**	**-**	-	**-**	(59,569)
Units issued upon reinvestment of distributions		**-**	**-**	-	**-**	31,721
Distributions paid and payable		**-**	**-**	-	**-**	(38,757)
Total transactions with unitholders		**-**	**-**	-	**-**	182,168
Total equity at the end of the financial year		**-**	**-**	-	**-**	694,715

**Effective from 1 July 2017, Vanguard International Small Companies Index Fund units have been reclassified from financial liability to equity.*

**Effective from 1 July 2018, Vanguard International Small Companies Index Fund units have been reclassified from equity to financial liability.*

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Statements of cash flows

For the year ended 30 June 2019

	Notes	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		**3,227**	3,898	**98,643**	485,605	**5,275**	2,621	**3,852**	7,680
Purchases of financial instruments at fair value through profit or loss		**(71,127)**	(71,176)	**(336,606)**	(228,502)	**(43,097)**	(109,242)	**(98,275)**	(98,183)
Transaction costs on purchases of financial instruments at fair value through profit or loss		**(29)**	(25)	**(227)**	(268)	**(2)**	(4)	**(5)**	(12)
Interest received		**5**	-	**61**	31	**3**	-	**3**	2
Dividends received		**2,968**	1,176	**30,042**	30,144	**-**	-	**-**	3
Distributions received		**45**	18	**471**	523	**6,434**	4,865	**5,790**	3,553
Other income received		**221**	288	**762**	5	**14**	40	**33**	44
Responsible Entity's fees paid		**(471)**	(196)	**(6,309)**	(7,404)	**(568)**	(326)	**(867)**	(558)
Operating expenses paid		**(73)**	(115)	**(350)**	(707)	**(9)**	(16)	**(16)**	(10)
Net cash inflow/(outflow) from operating activities	12(a)	**(65,234)**	(66,132)	**(213,513)**	279,427	**(31,950)**	(102,062)	**(89,485)**	(87,481)
Cash flows from financing activities									
Proceeds from applications by unitholders		**67,518**	67,418	**360,580**	247,767	**37,359**	103,324	**93,835**	94,189
Payments for redemptions by unitholders		**-**	-	**(143,706)**	(508,191)	**-**	-	**-**	(6,785)
Distributions paid from operating activities		**(2,384)**	(875)	**(5,686)**	(21,259)	**(5,282)**	(2,380)	**(4,238)**	(2,344)
Net cash inflow/(outflow) from financing activities		**65,134**	66,543	**211,188**	(281,683)	**32,077**	100,944	**89,597**	85,060
Net increase/(decrease) in cash and cash equivalents		**(100)**	411	**(2,325)**	(2,256)	**127**	(1,118)	**112**	(2,421)
Cash and cash equivalents at the beginning of the year		**700**	200	**12,933**	13,754	**166**	1,220	**218**	2,566
Effects of foreign currency exchange rate changes on cash and cash equivalents		**14**	89	**75**	1,435	**41**	64	**43**	73
Cash and cash equivalents at the end of the year	11	**614**	700	**10,683**	12,933	**334**	166	**373**	218
Non-cash financing activities	12(b)	**386**	173	**22,305**	25,379	**211**	71	**486**	215

The above statements of cash flows should be read in conjunction with the accompanying notes.

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Statements of cash flows (continued)

For the year ended 30 June 2019

	Notes	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
		30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		**587,951**	1,316,568	**30,781**	15,164	**90,228**	106,515
Purchases of financial instruments at fair value through profit or loss		**(612,331)**	(909,568)	**(27,209)**	(23,614)	**(347,815)**	(155,230)
Transaction costs on purchases of financial instruments at fair value through profit or loss		**(115)**	(239)	**(14)**	(8)	**(45)**	(26)
Interest received		**15**	29	**1**	-	**16**	9
Dividends received		**5,729**	4,203	**764**	398	**11,697**	8,258
Distributions received		**60,936**	56,916	**13**	15	**1,087**	811
Other income received		**420**	172	**10**	13	**99**	280
Responsible Entity's fees paid		**(6,776)**	(7,130)	**(103)**	(65)	**(2,176)**	(1,516)
Operating expenses paid		**(1,748)**	(834)	**(72)**	(41)	**(152)**	(32)
Net cash inflow/(outflow) from operating activities	12(a)	**34,081**	460,117	**4,171**	(8,138)	**(247,061)**	(40,931)
Cash flows from financing activities							
Proceeds from applications by unitholders		**692,883**	874,659	**17,226**	9,601	**402,817**	171,879
Payments for redemptions by unitholders		**(670,222)**	(1,314,445)	**(20,558)**	(1,570)	**(141,133)**	(117,444)
Distributions paid from operating activities		**(50,798)**	(38,007)	**(472)**	(17)	**(10,055)**	(9,619)
Net cash inflow/(outflow) from financing activities		**(28,137)**	(477,793)	**(3,804)**	8,014	**251,629**	44,816
Net increase/(decrease) in cash and cash equivalents		**5,944**	(17,676)	**367**	(124)	**4,568**	3,885
Cash and cash equivalents at the beginning of the year		**13,687**	30,670	**134**	247	**6,135**	2,241
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(36)**	693	**27**	11	**(551)**	9
Cash and cash equivalents at the end of the year	11	**19,595**	13,687	**528**	134	**10,152**	6,135
Non-cash financing activities	12(b)	**122,991**	114,989	**1,460**	1,205	**13,368**	9,278

The above statements of cash flows should be read in conjunction with the accompanying notes.

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Statements of cash flows (continued)

For the year ended 30 June 2019

	Notes	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
		30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss		**524**	**1,045,585**	1,638,637	**121,805**	103,944
Purchases of financial instruments at fair value through profit or loss		**(16,361)**	**(1,902,605)**	(2,656,710)	**(311,862)**	(305,540)
Transaction costs on purchases of financial instruments at fair value through profit or loss		**(2)**	**(106)**	(180)	**(45)**	(50)
Interest received		**-**	**464**	212	**15**	5
Dividends received		**74**	**317,651**	280,370	**10,892**	7,940
Distributions received		**2**	**13,964**	10,216	**3,150**	2,279
Other income received		**11**	**4,495**	799	**295**	75
Responsible Entity's fees paid		**(6)**	**(27,428)**	(24,938)	**(2,777)**	(2,349)
Operating expenses paid		**(10)**	**(1,281)**	(4,635)	**(201)**	(223)
Net cash inflow/(outflow) from operating activities	12(a)	**(15,768)**	**(549,261)**	(756,229)	**(178,728)**	(193,919)
Cash flows from financing activities						
Proceeds from applications by unitholders		**15,812**	**3,265,698**	3,839,361	**256,598**	250,862
Payments for redemptions by unitholders		**-**	**(2,623,448)**	(3,001,429)	**(71,642)**	(55,575)
Distributions paid from operating activities		**-**	**(204,375)**	(180,031)	**(3,083)**	(2,166)
Net cash inflow/(outflow) from financing activities		**15,812**	**437,875**	657,901	**181,873**	193,121
Net increase/(decrease) in cash and cash equivalents		**44**	**(111,386)**	(98,328)	**3,145**	(798)
Cash and cash equivalents at the beginning of the year		**-**	**189,547**	282,304	**3,788**	3,853
Effects of foreign currency exchange rate changes on cash and cash equivalents		**22**	**7,949**	5,571	**504**	733
Cash and cash equivalents at the end of the year	11	**66**	**86,110**	189,547	**7,437**	3,788
Non-cash financing activities	12(b)	**-**	**520,501**	562,714	**42,723**	31,721

The above statements of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

For the year ended 30 June 2019

1 General information

These financial statements cover the Vanguard Wholesale International Equities Funds (Unhedged) & ETFs (the "Funds") as registered managed investment schemes. The respective constitution dates are as follows:

- Vanguard FTSE Asia ex Japan Shares Index ETF 16 November 2015
- Vanguard Emerging Markets Shares Index Fund 24 November 1997
- Vanguard FTSE Europe Shares ETF 16 September 2015
- Vanguard FTSE Emerging Markets Shares ETF 17 October 2010
- Vanguard International Property Securities Index Fund 25 June 2005
- Vanguard Global Value Equity Fund 31 August 2016
- Vanguard Global Infrastructure Index Fund 26 October 2007
- Vanguard Global Multi-Factor Fund 3 January 2019
- Vanguard International Shares Index Fund 6 December 1996
- Vanguard International Small Companies Index Fund 9 August 2007

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) & ETFs is Vanguard Investments Australia Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 34, Freshwater Place, 2 Southbank Boulevard, Southbank Vic 3006.

The Funds invest in accordance with the investment policy of the Funds as set out in their respective Product Disclosure Statements (PDSs) and in accordance with the Funds' Constitution. The Funds seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax.

The ETF Class units of the Funds operate as Exchange Traded Funds (ETFs) listed on the Australian Securities Exchange (ASX).

The financial statements were authorised for issue by the directors on 3 September 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All material balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Compliance with International Financial Reporting Standards

The financial statements of the Funds also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Funds

AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 *Financial Instruments* became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. AASB 9 also introduces a new expected credit loss (ECL) impairment model.

AASB 9 has been applied retrospectively by the Funds without the use of hindsight and it has determined that adoption did not result in a change to the classification or measurement of financial instruments in either the current or comparative period. The Funds have elected to restate the comparative period presented to comply with AASB 9. The Funds' investment portfolio continues to be classified as fair value through profit or loss. There was no material impact on adoption from the application of the new impairment model.

AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

AASB 15 *Revenue from Contracts with Customers* became effective for annual periods beginning on or after 1 January 2018. The adoption of this standard did not have a material impact on the Fund's accounting policies nor the amounts recognised in the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2018 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(b) Financial instruments

(i) Classification

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Funds have transferred substantially all risks and rewards of ownership.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise.

For further details on how the fair value of the financial instruments is determined are disclosed in note 4.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavorable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

Effective from 1 July 2017, Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard International Property Securities Index Fund units have been reclassified from financial liability to equity as they satisfied all the above criteria. Refer note 9 for further details.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

Notes to the financial statements (continued)

For the year ended 30 June 2019

2 Summary of significant accounting policies (continued)

(e) Margin accounts

Deposits held with brokers for margin, represent restricted margin deposits for derivative financial instruments.

The reported balance for collateral margins represents the level of restricted cash required to be settled as at close of business at balance date.

(f) Investment income

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income and distribution income when the Fund's right to receive payments is established.

Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b) to the financial statements.

(g) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, Funds that have elected into the AMIT tax regime are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The Vanguard Global Value Equity Fund does not meet the AMIT tax regime qualification and is not subject to income tax as its unitholders are presently entitled to the income of the Fund.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

(i) Distributions

Distributions are payable as set out in the Funds' Product Disclosure Statement and/or Funds' Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Funds.

(j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Where the Funds' units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(k) Functional and presentation currency

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

2 Summary of significant accounting policies (continued)

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

(m) Receivables and accrued income

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

(n) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

As the Funds have a contractual obligation to distribute their distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period

(o) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Responsible Entity by third parties have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credit recovery rate of between 55% and 100%, hence Responsible Entity's fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(q) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(r) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Notes to the financial statements (continued)

For the year ended 30 June 2019

2 Summary of significant accounting policies (continued)

(s) Investment entity exception

AASB 10 *Consolidated Financial Statements* for investment entities includes an exception to the consolidation rules for those entities qualifying as "investment entities". Subsidiaries of investment entities will be accounted for at fair value through profit or loss, in accordance with AASB 139 *Financial Instruments: Recognition and Measurement.*

A parent entity will need to make an assessment of whether it meets the definition of an investment entity. An investment entity is defined as an entity that:

(a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Funds have multiple investments that they control. However, the Funds have determined that they are investment entities under the definition in AASB 10, as they meet the following criteria:

(a) the Funds have obtained funds from unitholders for the purpose of providing them with investment management services;

(b) the Funds' business purpose, which is communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and

(c) the performance of investments made by the Funds are measured and evaluated on a fair value basis.

The Funds also meet all of the typical characteristics of an investment entity, including:

(a) holding more than one investment;

(b) having more than one investor;

(c) having investors that are not related parties of the entity; and

(d) having ownership interests in the form of equity or similar interests.

As the Funds measure all of their controlled entities at fair value through profit or loss, they only present separate financial statements.

(t) Securities lending arrangements

The Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard International Property Securities Index Fund, Vanguard Global Value Equity Fund, Vanguard Global Infrastructure Index Fund, Vanguard Global Multi-Factor Fund, Vanguard International Shares Index Fund and Vanguard International Small Companies Index Fund have entered into securities lending arrangements under which legal title to some of the Funds' assets may be transferred to another entity. The securities are loaned by JPM Chase Bank, N.A., Sydney Branch as agent of the Responsible Entity, to a limited number of pre-approved brokers and other financial institutions (the "Borrowers"). The Borrowers provide collateral against loans to an amount of 105% of the fair value of the loaned securities. The earnings on securities lending arrangements have been recognised in the statement of comprehensive income as other income. All securities lending revenue, with the exception of a minimal lending agent fee, are received directly into the Funds.

The risks and benefits of ownership of the loaned assets remain with the Funds, because the Funds continue to enjoy the risks and benefits of ownership, assets that have been loaned have not been derecognised (i.e. treated as having been sold). JPM Chase Bank, N.A., Sydney Branch, as lending agent, indemnifies the Funds for replacement of any loaned securities (or, in certain circumstances, return of equivalent cash value) due to a Borrower default on a security loan.

Details of all open transactions at year-end are disclosed in note 16.

(u) Rounding of amounts

The Funds are registered schemes of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the "rounding off" amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk and foreign exchange risk), credit risk and liquidity risk.

The Funds' overall risk management program focuses on ensuring compliance with the Funds' Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the investment management department of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Funds use different methods to measure different types of risks to which they are exposed. These methods are explained on the following pages.

(a) Market risk

(i) Price risk

The Funds are exposed to equity securities and derivative price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (ii) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

In any asset sector the returns of individual securities are a combination of the market returns and returns specific to each security. By diversifying their holdings across the market, index funds are generally well protected from the specific risk of individual securities. Vanguard employs an indexing investment strategy in all asset classes in which the Funds invest.

At 30 June, the fair value of equities and related derivatives exposed to price risk were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Derivative assets	**1**	-	**14**	-	**-**	-	**-**	-
Equity securities	**165,484**	95,155	**1,265,333**	982,244	**-**	-	**-**	-
Listed unit trusts	**2,191**	777	**14,740**	12,361	**236,623**	191,782	**315,443**	203,977
Derivative liabilities	**-**	-	**-**	(91)	**-**	-	**-**	-
Net total	**167,676**	95,932	**1,280,087**	994,514	**236,623**	191,782	**315,443**	203,977

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Derivative assets	**8**	174	**3**	-	**22**	3
Equity securities	**243,126**	214,408	**22,518**	27,199	**604,385**	297,408
Listed unit trusts	**1,643,385**	1,467,026	**185**	246	**70,856**	30,195
Derivative liabilities	**(155)**	(30)	**-**	(2)	**(40)**	-
Net total	**1,886,364**	1,681,578	**22,706**	27,443	**675,223**	327,606

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Derivative assets	**2**	**134**	3	**53**	9
Equity securities	**15,637**	**16,500,402**	14,231,531	**825,313**	652,820
Listed unit trusts	**194**	**416,252**	323,751	**88,698**	66,135
Derivative liabilities	**-**	**-**	(2)	**(3)**	(35)
Net total	**15,833**	**16,916,788**	14,555,283	**914,061**	718,929

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The table presented in note 3(b) summarises the impact on operating profit before finance costs attributable to unitholders and liabilities attributable to unitholders from possible changes in market prices that were reasonably based on the risk that the Funds were exposed to at reporting date.

(ii) Foreign exchange risk

The Funds have exposure to foreign assets and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk, not foreign exchange risk. The risk is measured using sensitivity analysis.

The Funds are exposed to foreign exchange risk as a result of investments in financial instruments denominated in foreign currencies. Fluctuations in the value of the Australian dollar and foreign currencies can affect the returns from overseas investments. This is because gains or losses must be converted back to Australian dollars. Accordingly, these Funds are affected directly by currency fluctuations.

The foreign exchange risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look-through basis to investments held via interposed investment funds. In addition, any currency hedging to minimise the impact of foreign exchange risk has not been incorporated into the disclosures unless the derivatives are held directly in these Funds.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' foreign exchange exposure on a daily basis.

The tables below summarise the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

	Vanguard FTSE Asia ex Japan Shares Index ETF									
	As at 30 Jun 2019					As at 30 Jun 2018				
	Hong Kong Dollars **A$'000**	Taiwan New Dollars **A$'000**	Korean Won **A$'000**	Indian Rupee **A$'000**	Other Currencies **A$'000**	Hong Kong Dollars A$'000	Taiwan New Dollars A$'000	Korean Won A$'000	Indian Rupee A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**143**	**9**	**4**	**1**	**441**	9	-	11	-	652
Margin accounts	**-**	**-**	**-**	**-**	**74**	-	-	-	-	79
Receivables	**-**	**1**	**39**	**-**	**1**	-	-	22	-	2
Accrued income	**433**	**232**	**75**	**17**	**22**	173	145	44	12	18
Due to brokers - receivable for securities sold	**1**	**-**	**-**	**-**	**-**	2	-	-	-	-
Financial assets at fair value through profit or loss	**62,807**	**20,848**	**23,789**	**19,458**	**40,774**	36,112	11,954	15,314	10,604	21,948
Total assets	**63,384**	**21,090**	**23,907**	**19,476**	**41,312**	36,296	12,099	15,391	10,616	22,699
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**-**	**-**	**-**	**-**	**237**	-	-	-	-	-
- Sell foreign currency	**(237)**	**-**	**-**	**-**	**(900)**	-	-	-	-	(1,150)
Net exposure including foreign currency forward contracts	**63,147**	**21,090**	**23,907**	**19,476**	**40,649**	36,296	12,099	15,391	10,616	21,549

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard Emerging Markets Shares Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars A$'000	Hong Kong Dollars A$'000	Korean Won A$'000	Taiwan New Dollars A$'000	Other Currencies A$'000	US Dollars A$'000	Hong Kong Dollars A$'000	Korean Won A$'000	Taiwan New Dollars A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**6,832**	**699**	**52**	**68**	**1,869**	4,419	1,061	75	66	1,486
Margin accounts	**780**	**-**	**-**	**-**	**-**	1,264	-	-	-	-
Receivables	**-**	**-**	**965**	**180**	**159**	-	-	691	(19)	149
Accrued income	**104**	**2,482**	**498**	**1,503**	**812**	416	1,519	411	1,354	560
Due to brokers - receivable for securities sold	**-**	**8**	**-**	**-**	**-**	-	4	-	-	8
Financial assets at fair value through profit or loss	**158,349**	**282,729**	**158,410**	**138,584**	**542,015**	124,551	238,227	145,012	115,433	371,382
Total assets	**166,065**	**285,918**	**159,925**	**140,335**	**544,855**	130,650	240,811	146,189	116,834	373,585
Liabilities										
Due to brokers - payable for securities purchased	**-**	**-**	**-**	**-**	**-**	-	85	-	-	10
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	91	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	91	85	-	-	10
Net increase/(decrease) in exposure from foreign currency forward contracts										
-Buy foreign currency	**912**	**-**	**-**	**-**	**-**	5,600	-	-	-	-
-Sell foreign currency	**(7,000)**	**(912)**	**-**	**-**	**-**	-	-	-	-	-
Net exposure including foreign currency forward contracts	**159,977**	**285,006**	**159,925**	**140,335**	**544,855**	136,159	240,726	146,189	116,834	373,575

Vanguard FTSE Europe Shares ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**238**	**-**	**-**	**-**	**-**	102	-	-	-	-
Due to brokers - receivable for securities sold	**2,964**	**-**	**-**	**-**	**-**	2,590	-	-	-	-
Financial assets at fair value through profit or loss	**236,623**	**-**	**-**	**-**	**-**	191,782	-	-	-	-
Total assets	**239,825**	**-**	**-**	**-**	**-**	194,474	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
- Sell foreign currency	**(3,064)**	**-**	**-**	**-**	**-**	-	-	-	-	-
Net exposure including foreign currency forward contracts	**236,761**	**-**	**-**	**-**	**-**	194,474	-	-	-	-

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Vanguard FTSE Emerging Markets Shares ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars A$'000	**British Pounds A$'000**	**Euros A$'000**	**Japanese Yen A$'000**	**Other Currencies A$'000**	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**147**	**-**	**-**	**-**	**-**	214	-	-	-	-
Due to brokers - receivable for securities sold	**1,497**	**-**	**-**	**-**	**-**	845	-	-	-	-
Financial assets at fair value through profit or loss	**315,443**	**-**	**-**	**-**	**-**	203,977	-	-	-	-
Total assets	**317,087**	**-**	**-**	**-**	**-**	205,036	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
- Sell foreign currency	**(1,425)**	**-**	**-**	**-**	**-**	-	-	-	-	-
Net exposure including foreign currency forward contracts	**315,662**	**-**	**-**	**-**	**-**	205,036	-	-	-	-

Vanguard International Property Securities Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars A$'000	**British Pounds A$'000**	**Euros A$'000**	**Japanese Yen A$'000**	**Other Currencies A$'000**	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**13,637**	**218**	**328**	**1,486**	**1,699**	8,580	541	747	891	1,722
Margin accounts	**846**	**78**	**214**	**100**	**72**	283	6	168	59	41
Receivables	**203**	**115**	**1,931**	**-**	**142**	193	128	1,728	25	77
Accrued income	**4,129**	**444**	**631**	**973**	**683**	3,926	437	742	748	688
Due to brokers - receivable for securities sold	**-**	**-**	**65**	**14**	**-**	-	-	-	15	2
Financial assets at fair value through profit or loss	**1,185,450**	**93,385**	**190,243**	**182,711**	**234,733**	1,053,345	98,826	203,584	149,092	176,761
Total assets	**1,204,265**	**94,240**	**193,412**	**185,284**	**237,329**	1,066,327	99,938	206,969	150,830	179,291
Liabilities										
Due to brokers - payable for securities purchased	**12,921**	**692**	**1,893**	**2,017**	**2,937**	-	-	-	-	-
Financial liabilities at fair value through profit or loss	**151**	**-**	**-**	**-**	**4**	8	-	4	17	1
Total liabilities	**13,072**	**692**	**1,893**	**2,017**	**2,941**	8	-	4	17	1
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**7,000**	**543**	**1,542**	**1,058**	**1,600**	-	-	-	-	394
- Sell foreign currency	**(4,743)**	**-**	**-**	**-**	**-**	(394)	-	-	-	-
Net exposure including foreign currency forward contracts	**1,193,450**	**94,091**	**193,061**	**184,325**	**235,988**	1,065,925	99,938	206,965	150,813	179,684

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard Global Value Equity Fund									
	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars **A$'000**	British Pounds **A$'000**	Euros **A$'000**	Japanese Yen **A$'000**	Other Currencies **A$'000**	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**336**	**3**	**76**	**16**	**58**	5	1	1	4	8
Margin accounts	**-**	**-**	**11**	**-**	**-**	-	-	12	-	-
Receivables	**-**	**-**	**19**	**-**	**3**	-	-	18	-	5
Accrued income	**13**	**12**	**2**	**3**	**4**	15	10	2	2	4
Due to brokers - receivable for securities sold	**242**	**13**	**27**	**56**	**-**	262	11	1	18	29
Financial assets at fair value through profit or loss	**13,856**	**1,436**	**2,794**	**2,006**	**2,480**	16,288	1,876	3,642	2,611	2,880
Total assets	**14,447**	**1,464**	**2,929**	**2,081**	**2,545**	16,570	1,898	3,676	2,635	2,926
Liabilities										
Due to brokers - payable for securities purchased	**344**	**54**	**9**	**8**	**57**	-	-	-	-	-
Total liabilities	**344**	**54**	**9**	**8**	**57**	-	-	2	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**7**	**54**	**-**	**-**	**36**	-	-	-	-	-
- Sell foreign currency	**-**	**-**	**(57)**	**(50)**	**(12)**	-	-	-	-	-
Net exposure including foreign currency forward contracts	**14,110**	**1,464**	**2,863**	**2,023**	**2,512**	16,570	1,898	3,674	2,635	2,926

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard Global Infrastructure Index Fund									
	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars **A$'000**	British Pounds **A$'000**	Euros **A$'000**	Japanese Yen **A$'000**	Other Currencies **A$'000**	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**4,866**	**161**	**49**	**489**	**2,155**	1,486	119	678	219	372
Margin accounts	**262**	**10**	**13**	**20**	**133**	162	-	57	-	41
Receivables	**-**	**-**	**150**	**-**	**35**	-	-	81	-	23
Accrued income	**296**	**494**	**103**	**1**	**265**	266	268	55	1	124
Due to brokers - receivable for securities sold	**-**	**-**	**-**	**-**	**6**	-	-	-	-	-
Financial assets at fair value through profit or loss	**431,444**	**19,307**	**37,851**	**48,237**	**119,643**	202,870	11,800	19,563	28,287	56,575
Total assets	**436,868**	**19,972**	**38,166**	**48,747**	**122,237**	204,784	12,187	20,434	28,507	57,135
Liabilities										
Due to brokers - payable for securities purchased	**1,390**	**34**	**145**	**292**	**362**	-	-	-	-	-
Financial liabilities at fair value through profit or loss	**24**	**-**	**-**	**1**	**14**	1	-	-	-	-
Total liabilities	**1,414**	**34**	**145**	**293**	**376**	1	-	-	-	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**2,000**	**-**	**162**	**-**	**87**	3,787	-	385	215	395
- Sell foreign currency	**(962)**	**-**	**-**	**-**	**-**	(995)	-	-	-	(787)
Net exposure including foreign currency forward contracts	**436,492**	**19,938**	**38,183**	**48,454**	**121,948**	207,575	12,187	20,819	28,722	56,743

	Vanguard Global Multi-Factor Fund				
	As at 30 Jun 2019				
	US Dollars **A$'000**	British Pounds **A$'000**	Euros **A$'000**	Japanese Yen **A$'000**	Other Currencies **A$'000**
Assets					
Cash and cash equivalents	**30**	**4**	**8**	**1**	**14**
Margin accounts	**-**	**-**	**6**	**-**	**-**
Receivables	**-**	**-**	**1**	**-**	**1**
Accrued income	**6**	**5**	**3**	**2**	**2**
Due to brokers - receivable for securities sold	**71**	**-**	**1**	**9**	**-**
Financial assets at fair value through profit or loss	**9,621**	**938**	**1,453**	**1,351**	**2,110**
Total assets	**9,728**	**947**	**1,472**	**1,363**	**2,127**
Net exposure including foreign currency forward contracts	**9,728**	**947**	**1,472**	**1,363**	**2,127**

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard International Shares Index Fund									
	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars **A$'000**	British Pounds **A$'000**	Euros **A$'000**	Japanese Yen **A$'000**	Other Currencies **A$'000**	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**41,282**	**2,239**	**1,183**	**10,332**	**4,807**	115,965	10,254	23,234	18,438	13,604
Margin accounts	**3,591**	**460**	**1,354**	**575**	**257**	6,511	768	2,786	505	492
Receivables	**55**	**15**	**18,769**	**-**	**14,594**	76	15	13,749	8	10,780
Accrued income	**8,260**	**4,479**	**1,010**	**2,009**	**1,672**	6,880	4,594	721	1,605	1,519
Due to brokers - receivable for securities sold	**-**	**-**	**-**	**4**	**-**	-	51	-	4	-
Financial assets at fair value through profit or loss	**10,919,047**	**982,931**	**1,856,389**	**1,384,483**	**1,766,210**	9,108,939	961,672	1,725,900	1,286,607	1,472,191
Total assets	**10,972,235**	**990,124**	**1,878,705**	**1,397,403**	**1,787,540**	9,238,371	977,354	1,766,390	1,307,167	1,498,586
Liabilities										
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	67	-	-	2	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	67	-	-	2	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**-**	**-**	**-**	**-**	**-**	14,009	-	1,390	-	742
- Sell foreign currency	**(35,640)**	**-**	**-**	**-**	**-**	(215,385)	-	-	(1,975)	(6,379)
Net exposure including foreign currency forward contracts	**10,936,595**	**990,124**	**1,878,705**	**1,397,403**	**1,787,540**	9,036,928	977,354	1,767,780	1,305,190	1,492,949

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Vanguard International Small Companies Index Fund									
	As at 30 Jun 2019					As at 30 Jun 2018				
	US Dollars **A$'000**	British Pounds **A$'000**	Euros **A$'000**	Japanese Yen **A$'000**	Other Currencies **A$'000**	US Dollars A$'000	British Pounds A$'000	Euros A$'000	Japanese Yen A$'000	Other Currencies A$'000
Assets										
Cash and cash equivalents	**4,726**	**48**	**431**	**1,192**	**368**	1,504	43	1,119	425	418
Margin accounts	**320**	**-**	**111**	**44**	**-**	119	-	88	15	9
Receivables	**2**	**18**	**327**	**-**	**192**	2	13	194	2	102
Accrued income	**702**	**223**	**108**	**252**	**144**	468	102	59	124	87
Due to brokers - receivable for securities sold	**7,994**	**716**	**1,249**	**1,105**	**1,504**	3,442	322	537	809	675
Financial assets at fair value through profit or loss	**545,782**	**65,588**	**83,242**	**109,204**	**110,248**	422,003	54,888	68,889	90,476	82,712
Total assets	**559,526**	**66,593**	**85,468**	**111,797**	**112,456**	427,538	55,368	70,886	91,851	84,003
Liabilities										
Due to brokers - payable for securities purchased	**22**	**-**	**-**	**1,097**	**37**	267	435	-	-	-
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**2**	**-**	29	-	4	2	-
Total liabilities	**22**	**-**	**-**	**1,099**	**37**	296	435	4	2	-
Net increase/(decrease) in exposure from foreign currency forward contracts										
- Buy foreign currency	**2,106**	**-**	**-**	**-**	**-**	1,171	446	-	-	-
- Sell foreign currency	**(11,000)**	**(800)**	**-**	**-**	**(1,307)**	(446)	-	-	(831)	(340)
Net exposure including foreign currency forward contracts	**550,610**	**65,793**	**85,468**	**110,698**	**111,112**	427,967	55,379	70,882	91,018	83,663

The tables presented in note 3(b) summarise the impact of an increase/decrease of foreign exchange rates of each Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows.

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Funds have insufficient direct exposure to interest rate risk to be material. All financial liabilities are non-interest bearing.

(b) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Funds' operating profit and net assets attributable to unitholders to interest rate risk, foreign exchange risk and price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates as well as the indices that the individual Funds are designed to track. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Price risk movement represents the range of historical index returns from the average return minus one standard deviation to the average return plus one standard deviation. For a normal distribution approximately two-thirds of the outcomes are expected to fall within plus or minus one standard deviation of the mean. Outcomes are expected to occur outside these ranges, approximately one-third of the time.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard FTSE Asia ex Japan Shares Index ETF

	Price risk		Foreign exchange risk									
			HK Dollar		Taiwan New Dollar		Korean Won		Indian Rupee		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	**+4%**	**-7%**	**+2%**	**-5%**	**+2%**	**-4%**	**+3%**	**-10%**	**+1%**	**-6%**	**+1%**
30 Jun 2019	**(3,354)**	**6,707**	**(40)**	**12**	**(12)**	**5**	**(5)**	**4**	**(2)**	**-**	**(32)**	**5**
	-2%	+4%	-9%	+1%	-8%	+1%	-11%	+3%	-2%	+4%	-8%	+2%
30 Jun 2018	(1,919)	3,837	(17)	2	(12)	1	(8)	2	-	-	(60)	15

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard Emerging Markets Shares Index Fund

	Price risk		Foreign exchange risk									
			US Dollar		Hong Kong Dollar		Korean Won		Taiwan New Dollar		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-4%	**+5%**	**-6%**	**+2%**	**-7%**	**+2%**	**-4%**	**+3%**	**-5%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(51,203)**	**64,004**	**(463)**	**154**	**(223)**	**64**	**(61)**	**45**	**(88)**	**35**	**(170)**	**28**
	-4%	+6%	-10%	+1%	-9%	+1%	-11%	+3%	-8%	+2%	-8%	+2%
30 Jun 2018	(39,780)	59,672	(610)	61	(225)	25	(129)	35	(112)	14	(175)	44

Impact on operating profit/(loss) and net assets attributable to unitholders

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	Price risk		Foreign exchange risk		Price risk		Foreign exchange risk	
			US Dollar				US Dollar	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High
	-3%	**+4%**	**-6%**	**+2%**	**-2%**	**+4%**	**-6%**	**+2%**
30 Jun 2019	**(7,099)**	**9,465**	**(192)**	**64**	**(6,309)**	**12,618**	**(99)**	**33**
	-3%	+4%	-10%	+1%	-2%	+3%	-10%	+1%
30 Jun 2018	(5,753)	7,671	(269)	27	(4,080)	6,119	(106)	11

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard International Property Securities Index Fund

	Price risk		Foreign exchange risk									
			US Dollar		British Pound		Euro		Japanese Yen		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-4%	**+5%**	**-6%**	**+2%**	**-5%**	**+4%**	**-5%**	**+1%**	**-11%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(75,454)**	**94,318**	**(354)**	**118**	**(8)**	**7**	**(64)**	**13**	**(61)**	**11**	**20**	**(3)**
	-4%	+5%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 Jun 2018	(67,263)	84,078	(1,298)	130	(111)	44	(305)	68	(156)	17	(202)	51

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard Global Value Equity Fund

	Price risk		Foreign exchange risk									
			US Dollar		British Pound		Euro		Japanese Yen		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	**+4%**	**-6%**	**+2%**	**-5%**	**+4%**	**-5%**	**+1%**	**-11%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(454)**	**908**	**(15)**	**5**	**1**	**(1)**	**(6)**	**1**	**(7)**	**1**	**(1)**	**-**
	-1%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 Jun 2018	(274)	1,098	(28)	3	(2)	1	(3)	1	(2)	-	(4)	1

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard Global Infrastructure Index Fund

	Price risk		Foreign exchange risk									
			US Dollar		British Pound		Euro		Japanese Yen		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	**+4%**	**-6%**	**+2%**	**-5%**	**+4%**	**-5%**	**+1%**	**-11%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(20,257)**	**27,008**	**(242)**	**81**	**(32)**	**25**	**(8)**	**2**	**(24)**	**4**	**(134)**	**22**
	-3%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 Jun 2018	(9,828)	13,104	(191)	19	(39)	15	(79)	17	(20)	2	(45)	11

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard Global Multi-Factor Fund

	Price risk		Foreign exchange risk									
			US Dollar		British Pound		Euro		Japanese Yen		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-2%	**+4%**	**-6%**	**+2%**	**-5%**	**+4%**	**-5%**	**+1%**	**-11%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(317)**	**634**	**(6)**	**2**	**-**	**-**	**(1)**	**-**	**(1)**	**-**	**(1)**	**-**

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard International Shares Index Fund

	Price risk		Foreign exchange risk									
			US Dollar		British Pound		Euro		Japanese Yen		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	**+4%**	**-6%**	**+2%**	**-5%**	**+4%**	**-5%**	**+1%**	**-11%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(507,504)**	**676,671**	**(3,191)**	**1,064**	**(360)**	**288**	**(1,116)**	**223**	**(1,421)**	**258**	**(1,280)**	**213**
	-3%	+4%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 Jun 2018	(436,659)	582,211	(12,937)	1,294	(1,568)	627	(3,645)	810	(1,850)	206	(2,112)	528

Impact on operating profit/(loss) and net assets attributable to unitholders

Vanguard International Small Companies Index Fund

	Price risk		Foreign exchange risk									
			US Dollar		British Pound		Euro		Japanese Yen		Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	-3%	**+5%**	**-6%**	**+2%**	**-5%**	**+4%**	**-5%**	**+1%**	**-11%**	**+2%**	**-6%**	**+1%**
30 Jun 2019	**(27,421)**	**45,703**	**(823)**	**274**	**(50)**	**40**	**(111)**	**22**	**(165)**	**30**	**(130)**	**22**
	-3%	+5%	-10%	+1%	-10%	+4%	-9%	+2%	-9%	+1%	-8%	+2%
30 Jun 2018	(21,568)	35,946	(527)	53	(5)	2	(180)	40	(124)	14	(103)	26

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The Funds are exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. None of these assets are impaired nor past due but not impaired.

For Funds which invest in forward exchange contracts there is risk associated with unrealised profits.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. There were no significant concentrations of credit risk to counterparties at 30 June 2019 or 30 June 2018.

(i) Derivatives

The Responsible Entity has established counterparty limits such that, at any time, exposure to derivative financial instruments equivalent to less than 5% of the value of a Fund are with any individual counterparty, and all contracts are with counterparties included in the Board's Approved Counterparties list.

The Funds also restrict their exposure to credit losses on derivative instruments they hold by entering into master netting arrangements with counterparts with whom they undertake a significant volume of transactions. Master netting arrangements do not result in an offset of balance sheet assets and liabilities unless transactions are settled on a net basis. However, the credit risk associated with favourable contracts is reduced by master netting arrangements to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Funds' overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangements. As at 30 June 2019, the Funds do not have outstanding netting arrangements that materially impact offsetting of financial assets and liabilities on the balance sheet. As a result, the financial assets and liabilities are presented on a gross basis.

During the year, the Funds could enter into collateral arrangements for forward foreign exchange contracts, repurchase agreements and reverse repurchase agreements to assist in enhancing returns in a risk controlled environment for the cash flow management of the Funds. Refer to note 6 for the balances in relation to these arrangements as of year-end.

(ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has made payment. Payment is made on purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligations.

(iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A1+ short-term Standard & Poor's credit ratings (or Moody's equivalent).

In accordance with the Responsible Entity's derivatives policy, the Responsible Entity monitors the Funds' exposures on a daily basis, which the Board of Directors reviews quarterly. The derivatives policy is subject to annual review.

(iv) Other

The Funds are not materially exposed to credit risk on other financial assets. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets.

The clearing and depository operations for the Funds' security transactions are mainly concentrated with one counterparty, namely JP Morgan Chase & Co. JP Morgan Chase & Co is a member of a major securities exchange, and at 30 June 2019 had a credit rating of A-1 (30 June 2018: A-1). At 30 June 2019, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by JP Morgan Chase & Co.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds primarily hold investments that are traded in active markets and can be readily disposed. The Funds' financial instruments include investments in equity investments, fixed interest securities and derivative contracts traded over-the-counter and on an exchange. The Funds' listed securities are considered to be readily realisable as they are all listed on major stock exchanges. The Funds may use futures to gain market exposure without investing directly in the securities. This allows the Funds to maintain liquidity without being under-invested in their respective investment policies. The derivatives are not used to leverage the Funds' portfolios.

The tables below analyses the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are contractual undiscounted cash flows.

Vanguard FTSE Asia ex Japan Shares Index ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Distribution payable	**1,447**	**-**	**-**	**-**	**1,447**	1,285	-	-	-	1,285
Payables	**54**	**-**	**-**	**-**	**54**	37	-	-	-	37
Other liabilities	**70**	**-**	**-**	**-**	**70**	-	-	-	-	-
Total liabilities	**1,571**	**-**	**-**	**-**	**1,571**	1,322	-	-	-	1,322

Vanguard Emerging Markets Shares Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	32	91	-	-	123
Distribution payable	**19,719**	**-**	**-**	**-**	**19,719**	8,018	-	-	-	8,018
Payables	**7,684**	**-**	**-**	**-**	**7,684**	1,635	-	-	-	1,635
Other liabilities	**645**	**-**	**-**	**-**	**645**	-	-	-	-	-
Due to brokers - payables for securities purchased	**-**	**-**	**-**	**-**	**-**	95	-	-	-	95
Total liabilities	**28,048**	**-**	**-**	**-**	**28,048**	9,780	91	-	-	9,871

Vanguard FTSE Europe Shares ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Distribution payable	**3,596**	**-**	**-**	**-**	**3,596**	2,927	-	-	-	2,927
Payables	**53**	**-**	**-**	**-**	**53**	43	-	-	-	43
Total liabilities	**3,649**	**-**	**-**	**-**	**3,649**	2,970	-	-	-	2,970

Vanguard FTSE Emerging Markets Shares ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Distribution payable	**1,737**	**-**	**-**	**-**	**1,737**	936	-	-	-	936
Payables	**101**	**-**	**-**	**-**	**101**	64	-	-	-	64
Total liabilities	**1,838**	**-**	**-**	**-**	**1,838**	1,000	-	-	-	1,000

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard International Property Securities Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Financial liabilities at fair value through profit or loss	**4**	**155**	**-**	**-**	**159**	-	30	-	-	30
Distribution payable	**16,558**	**-**	**-**	**-**	**16,558**	102,941	-	-	-	102,941
Payables	**962**	**-**	**-**	**-**	**962**	1,042	-	-	-	1,042
Due to brokers - payables for securities purchased	**20,460**	**-**	**-**	**-**	**20,460**	-	-	-	-	-
Total liabilities	**37,984**	**155**	**-**	**-**	**38,139**	103,983	30	-	-	104,013

Vanguard Global Value Equity Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	-	2	-	-	2
Distribution payable	**426**	**-**	**-**	**-**	**426**	1,584	-	-	-	1,584
Payables	**6**	**-**	**-**	**-**	**6**	7	-	-	-	7
Due to brokers - payables for securities purchased	**476**	**-**	**-**	**-**	**476**	-	-	-	-	-
Net assets attributable to unitholders	**22,733**	**-**	**-**	**-**	**22,733**	26,387	-	-	-	26,387
Total liabilities	**23,641**	**-**	**-**	**-**	**23,641**	27,978	2	-	-	27,980

Vanguard Global Infrastructure Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Financial liabilities at fair value through profit or loss	**4**	**40**	**-**	**-**	**44**	18	-	-	-	18
Distribution payable	**10,490**	**-**	**-**	**-**	**10,490**	12,747	-	-	-	12,747
Payables	**410**	**-**	**-**	**-**	**410**	281	-	-	-	281
Due to brokers - payables for securities purchased	**2,299**	**-**	**-**	**-**	**2,299**	-	-	-	-	-
Net assets attributable to unitholders*	**678,396**	**-**	**-**	**-**	**678,396**	-	-	-	-	-
Total liabilities	**691,599**	**40**	**-**	**-**	**691,639**	13,046	-	-	-	13,046

**Net assets attributable to unitholders are classified as financial liability at 30 June 2019 and as a financial equity at 30 June 2018.*

Vanguard Global Multi-Factor Fund

	As at 30 Jun 2019				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**
Distribution payable	**93**	**-**	**-**	**-**	**93**
Payables	**5**	**-**	**-**	**-**	**5**
Net assets attributable to unitholders	**15,911**	**-**	**-**	**-**	**15,911**
Total liabilities	**16,009**	**-**	**-**	**-**	**16,009**

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Vanguard International Shares Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	99	2	-	-	101
Distribution payable	**362,699**	**-**	**-**	**-**	**362,699**	322,005	-	-	-	322,005
Payables	**34,010**	**-**	**-**	**-**	**34,010**	133,129	-	-	-	133,129
Net assets attributable to unitholders	**16,701,880**	**-**	**-**	**-**	**16,701,880**	14,345,039	-	-	-	14,345,039
Total liabilities	**17,098,589**	**-**	**-**	**-**	**17,098,589**	14,800,272	2	-	-	14,800,274

Vanguard International Small Companies Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Financial liabilities at fair value through profit or loss	**-**	**3**	**-**	**-**	**3**	-	35	-	-	35
Distribution payable	**27,350**	**-**	**-**	**-**	**27,350**	29,174	-	-	-	29,174
Payables	**10,576**	**-**	**-**	**-**	**10,576**	5,375	-	-	-	5,375
Due to brokers - payables for securities purchased	**1,156**	**-**	**-**	**-**	**1,156**	702	-	-	-	702
Net assets attributable to unitholders*	**897,335**	**-**	**-**	**-**	**897,335**	-	-	-	-	-
Total liabilities	**936,417**	**3**	**-**	**-**	**936,420**	35,251	35	-	-	35,286

**Net assets attributable to unitholders are classified as financial liability at 30 June 2019 and as a financial equity at 30 June 2018.*

Maturities of gross-settled derivative financial instruments

The tables below analyse the Funds' gross-settled derivative financial instruments based on their contractual maturity. The Funds may at their discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

Vanguard FTSE Asia ex Japan Shares Index ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**1,137**	**-**	**-**	**-**	**1,137**	1,150	-	-	-	1,150
(Outflows)	**(1,137)**	**-**	**-**	**-**	**(1,137)**	(1,150)	-	-	-	(1,150)
Net	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-

Vanguard Emerging Markets Shares Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**7,912**	**-**	**-**	**-**	**7,912**	5,568	-	-	-	5,568
(Outflows)	**(7,912)**	**-**	**-**	**-**	**(7,912)**	(5,600)	-	-	-	(5,600)
Net	**-**	**-**	**-**	**-**	**-**	(32)	-	-	-	(32)

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

Vanguard FTSE Europe Shares ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**3,064**	**-**	**-**	**-**	**3,064**	-	-	-	-	-
(Outflows)	**(3,064)**	**-**	**-**	**-**	**(3,064)**	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-

Vanguard FTSE Emerging Markets Shares ETF

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**1,425**	**-**	**-**	**-**	**1,425**	-	-	-	-	-
(Outflows)	**(1,425)**	**-**	**-**	**-**	**(1,425)**	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-

Vanguard International Property Securities Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**11,738**	**-**	**-**	**-**	**11,738**	394	-	-	-	394
(Outflows)	**(11,739)**	**-**	**-**	**-**	**(11,739)**	(394)	-	-	-	(394)
Net	**(1)**	**-**	**-**	**-**	**(1)**	-	-	-	-	-

Vanguard Global Value Equity Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**216**	**-**	**-**	**-**	**216**	-	-	-	-	-
(Outflows)	**(216)**	**-**	**-**	**-**	**(216)**	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-

Vanguard Global Infrastructure Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**2,958**	**-**	**-**	**-**	**2,958**	4,765	-	-	-	4,765
(Outflows)	**(2,962)**	**-**	**-**	**-**	**(2,962)**	(4,777)	-	-	-	(4,777)
Net	**(4)**	**-**	**-**	**-**	**(4)**	(12)	-	-	-	(12)

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

Vanguard International Shares Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**35,640**	**-**	**-**	**-**	**35,640**	225,255	-	-	-	225,255
(Outflows)	**(35,624)**	**-**	**-**	**-**	**(35,624)**	(225,354)	-	-	-	(225,354)
Net	**16**	**-**	**-**	**-**	**16**	(99)	-	-	-	(99)

Vanguard International Small Companies Index Fund

	As at 30 Jun 2019					As at 30 Jun 2018				
	Less than 1 month **$'000**	1- 6 months **$'000**	6-12 months **$'000**	1-2 years **$'000**	Total **$'000**	Less than 1 month $'000	1- 6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Derivative										
Inflows	**13,106**	**-**	**-**	**-**	**13,106**	1,617	-	-	-	1,617
(Outflows)	**(13,107)**	**-**	**-**	**-**	**(13,107)**	(1,613)	-	-	-	(1,613)
Net	**(1)**	**-**	**-**	**-**	**(1)**	4	-	-	-	4

4 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVPL) (see note 6 and 7)
- Derivative financial instruments (see note 8)

The Funds have no assets or liabilities at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in note 2(b) to the financial statements. For the majority of investments, the Funds rely on information provided by independent pricing services for the valuation of investments.

The quoted market price used for financial assets held by the Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

4 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. The carrying amounts of the Funds' assets and liabilities at the balance sheet date approximate their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black-Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

Recognised fair value measurements

The following tables present the Funds' financial assets and liabilities (by asset class) measured at fair value according to the fair value hierarchy at 30 June 2019 and 30 June 2018.

	Vanguard FTSE Asia ex Japan Shares Index ETF							
	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**-**	**1**	**-**	**1**	-	-	-	-
Equity securities	**165,484**	**-**	**-**	**165,484**	95,104	51	-	95,155
Listed unit trusts	**2,191**	**-**	**-**	**2,191**	777	-	-	777
Total	**167,675**	**1**	**-**	**167,676**	95,881	51	-	95,932

	Vanguard Emerging Markets Shares Index Fund							
	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**10**	**4**	**-**	**14**	-	-	-	-
Equity securities	**1,264,664**	**669**	**-**	**1,265,333**	981,531	713	-	982,244
Listed unit trusts	**14,740**	**-**	**-**	**14,740**	12,361	-	-	12,361
Total	**1,279,414**	**673**	**-**	**1,280,087**	993,892	713	-	994,605
Financial liabilities at fair value through profit or loss								
Derivatives	**-**	**-**	**-**	**-**	91	32	-	123
Total	**-**	**-**	**-**	**-**	91	32	-	123

Notes to the financial statements (continued)

For the year ended 30 June 2019

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

Vanguard FTSE Europe Shares ETF

	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Listed unit trusts	**236,623**	**-**	**-**	**236,623**	191,782	-	-	191,782
Total	**236,623**	**-**	**-**	**236,623**	191,782	-	-	191,782

Vanguard FTSE Emerging Markets Shares ETF

	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Listed unit trusts	**315,443**	**-**	**-**	**315,443**	203,977	-	-	203,977
Total	**315,443**	**-**	**-**	**315,443**	203,977	-	-	203,977

Vanguard International Property Securities Index Fund

	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**8**	**3**	**-**	**11**	174	-	-	174
Equity securities	**243,126**	**-**	**-**	**243,126**	214,408	-	-	214,408
Listed unit trusts	**1,643,385**	**-**	**-**	**1,643,385**	1,467,026	-	-	1,467,026
Total	**1,886,519**	**3**	**-**	**1,886,522**	1,681,608	-	-	1,681,608
Financial liabilities at fair value through profit or loss								
Derivatives	**155**	**4**	**-**	**159**	30	-	-	30
Total	**155**	**4**	**-**	**159**	30	-	-	30

Vanguard Global Value Equity Fund

	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**3**	**-**	**-**	**3**	-	-	-	-
Equity securities	**22,518**	**-**	**-**	**22,518**	27,180	19	-	27,199
Listed unit trusts	**185**	**-**	**-**	**185**	246	-	-	246
Total	**22,706**	**-**	**-**	**22,706**	27,426	19	-	27,445
Financial liabilities at fair value through profit or loss								
Derivatives	**-**	**-**	**-**	**-**	2	-	-	2
Total	**-**	**-**	**-**	**-**	2	-	-	2

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Notes to the financial statements (continued)

For the year ended 30 June 2019

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Global Infrastructure Index Fund							
	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**22**	**-**	**-**	**22**	3	6	-	9
Equity securities	**604,385**	**-**	**-**	**604,385**	297,408	-	-	297,408
Listed unit trusts	**70,856**	**-**	**-**	**70,856**	30,195	-	-	30,195
Total	**675,263**	**-**	**-**	**675,263**	327,606	6	-	327,612
Financial liabilities at fair value through profit or loss								
Derivatives	**40**	**4**	**-**	**44**	-	18	-	18
Total	**40**	**4**	**-**	**44**	-	18	-	18

	Vanguard Global Multi-Factor Fund			
	30 Jun 2019			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**
Financial assets at fair value through profit or loss				
Derivatives	**2**	**-**	**-**	**2**
Equity securities	**15,637**	**-**	**-**	**15,637**
Listed unit trusts	**194**	**-**	**-**	**194**
Total	**15,833**	**-**	**-**	**15,833**

	Vanguard International Shares Index Fund							
	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**134**	**16**	**-**	**150**	3	23	-	26
Equity securities	**16,500,400**	**2**	**-**	**16,500,402**	14,231,531	-	-	14,231,531
Listed unit trusts	**416,252**	**-**	**-**	**416,252**	323,751	-	-	323,751
Total	**16,916,786**	**18**	**-**	**16,916,804**	14,555,285	23	-	14,555,308
Financial liabilities at fair value through profit or loss								
Derivatives	**-**	**-**	**-**	**-**	2	99	-	101
Total	**-**	**-**	**-**	**-**	2	99	-	101

	Vanguard International Small Companies Index Fund							
	30 Jun 2019				30 Jun 2018			
	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Total **$'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Derivatives	**49**	**4**	**-**	**53**	2	11	-	13
Equity securities	**825,143**	**170**	**-**	**825,313**	652,191	629	-	652,820
Listed unit trusts	**88,698**	**-**	**-**	**88,698**	66,135	-	-	66,135
Total	**913,890**	**174**	**-**	**914,064**	718,328	640	-	718,968
Financial liabilities at fair value through profit or loss								
Derivatives	**3**	**-**	**-**	**3**	35	-	-	35
Total	**3**	**-**	**-**	**3**	35	-	-	35

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

4 Fair value measurement (continued)

Transfers between levels

The following tables present the transfers between levels during the year ended 30 June 2019:

	Vanguard FTSE Asia ex Japan Shares Index ETF			Vanguard Emerging Markets Shares Index Fund		
30 Jun 2019	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**
Transfers between level 1 and 2:						
Equity securities	**-**	**-**	**-**	**(61)**	**61**	**-**
Transfers between level 2 and 1:						
Equity securities	**-**	**-**	**-**	**16**	**(16)**	**-**
30 Jun 2018						
Transfers between level 1 and 2:						
Equity securities	1,850	(1,850)	-	(685)	685	-
Transfers between level 2 and 1:						
Equity securities	(51)	51	-	26,105	(26,105)	-

	Vanguard Global Value Equity Fund			Vanguard International Small Companies Index Fund		
30 Jun 2019	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**	Level 1 **$'000**	Level 2 **$'000**	Level 3 **$'000**
Transfers between level 1 and 2:						
Equity securities	**-**	**-**	**-**	**-**	**-**	**-**
Transfers between level 2 and 1:						
Equity securities	**-**	**-**	**-**	**-**	**-**	**-**
30 Jun 2018						
Transfers between level 1 and 2:						
Equity securities	(19)	19	-	(41)	41	-
Transfers between level 2 and 1:						
Equity securities	-	-	-	94	(94)	-

The equity securities transferred into level 2 relates to the frequency of quoted price valuations. There were no transfers into and out of level 3 during the reporting period.

5 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	**3,754**	1,064	**41,226**	(7,183)	**7,102**	5,925	**17,470**	5,676
Net realised gain/(loss) on financial instruments at fair value through profit or loss	**12**	275	**6,092**	121,890	**332**	329	**268**	922
Total net gains/(losses) on financial instruments at fair value through profit or loss	**3,766**	1,339	**47,318**	114,707	**7,434**	6,254	**17,738**	6,598

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Notes to the financial statements (continued)

For the year ended 30 June 2019

5 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	**98,048**	(21,993)	**(2,101)**	409	**79,349**	9,697
Net realised gain/(loss) on financial instruments at fair value through profit or loss	**62,676**	97,696	**494**	1,846	**7,434**	7,083
Total net gains/(losses) on financial instruments at fair value through profit or loss	**160,724**	75,703	**(1,607)**	2,255	**86,783**	16,780

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	**101**	**1,176,321**	1,299,153	**(22,299)**	71,205
Net realised gain/(loss) on financial instruments at fair value through profit or loss	**2**	**330,194**	467,025	**34,447**	32,711
Total net gains/(losses) on financial instruments at fair value through profit or loss	**103**	**1,506,515**	1,766,178	**12,148**	103,916

6 Financial assets at fair value through profit or loss

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
	Fair value $'000	Fair value $'000	**Fair value $'000**	Fair value $'000	**Fair value $'000**	Fair value $'000	**Fair value $'000**	Fair value $'000
Financial assets at fair value through profit or loss								
Derivatives	**1**	-	**14**	-	**-**	-	**-**	-
Equity securities	**165,484**	95,155	**1,265,333**	982,244	**-**	-	**-**	-
Listed unit trusts	**2,191**	777	**14,740**	12,361	**236,623**	191,782	**315,443**	203,977
Total financial assets at fair value through profit or loss	**167,676**	95,932	**1,280,087**	994,605	**236,623**	191,782	**315,443**	203,977
Comprising:								
Derivatives								
International share price futures	**-**	-	**10**	-	**-**	-	**-**	-
International exchange traded options	**1**	-	**4**	-	**-**	-	**-**	-
Total derivatives	**1**	-	**14**	-	**-**	-	**-**	-
Equity securities								
International equity securities	**165,484**	95,155	**1,265,333**	982,244	**-**	-	**-**	-
Total equity securities	**165,484**	95,155	**1,265,333**	982,244	**-**	-	**-**	-
Listed units trusts								
International listed trusts	**2,191**	777	**14,740**	12,361	**236,623**	191,782	**315,443**	203,977
Total listed units trusts	**2,191**	777	**14,740**	12,361	**236,623**	191,782	**315,443**	203,977
Total financial assets at fair value through profit or loss	**167,676**	95,932	**1,280,087**	994,605	**236,623**	191,782	**315,443**	203,977

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Notes to the financial statements (continued)

For the year ended 30 June 2019

6 Financial assets at fair value through profit or loss (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
	Fair value $'000	Fair value $'000	**Fair value $'000**	Fair value $'000	**Fair value $'000**	Fair value $'000
Financial assets at fair value through profit or loss						
Derivatives	**11**	174	**3**	-	**22**	9
Equity securities	**243,126**	214,408	**22,518**	27,199	**604,385**	297,408
Listed unit trusts	**1,643,385**	1,467,026	**185**	246	**70,856**	30,195
Total financial assets at fair value through profit or loss	**1,886,522**	1,681,608	**22,706**	27,445	**675,263**	327,612
Comprising:						
Derivatives						
Foreign currency forward contracts	**3**	-	**-**	-	**-**	6
International share price futures	**8**	174	**3**	-	**22**	3
Total derivatives	**11**	174	**3**	-	**22**	9
Equity securities						
Australian equity securities	**-**	-	**121**	132	**3,730**	1,896
International equity securities	**243,126**	214,408	**22,397**	27,067	**600,655**	295,512
Total equity securities	**243,126**	214,408	**22,518**	27,199	**604,385**	297,408
Listed units trusts						
Australian listed trusts	**-**	-	**14**	16	**15,052**	6,621
International listed trusts	**1,643,385**	1,467,026	**171**	230	**55,804**	23,574
Total listed units trusts	**1,643,385**	1,467,026	**185**	246	**70,856**	30,195
Total financial assets at fair value through profit or loss	**1,886,522**	1,681,608	**22,706**	27,445	**675,263**	327,612

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Notes to the financial statements (continued)

For the year ended 30 June 2019

6 Financial assets at fair value through profit or loss (continued)

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
	Fair value $'000	**Fair value $'000**	Fair value $'000	**Fair value $'000**	Fair value $'000
Financial assets at fair value through profit or loss					
Derivatives	**2**	**150**	26	**53**	13
Equity securities	**15,637**	**16,500,402**	14,231,531	**825,313**	652,820
Listed unit trusts	**194**	**416,252**	323,751	**88,698**	66,135
Total financial assets at fair value through profit or loss	**15,833**	**16,916,804**	14,555,308	**914,064**	718,968
Comprising:					
Derivatives					
Foreign currency forward contracts	**-**	**16**	23	**-**	4
International share price futures	**2**	**134**	3	**49**	2
International exchange traded options	**-**	**-**	-	**4**	7
Total derivatives	**2**	**150**	26	**53**	13
Equity securities					
Australian equity securities	**281**	**7,728**	-	**-**	-
International equity securities	**15,356**	**16,492,674**	14,231,531	**825,313**	652,820
Total equity securities	**15,637**	**16,500,402**	14,231,531	**825,313**	652,820
Listed units trusts					
Australian listed trusts	**79**	**-**	-	**-**	-
International listed trusts	**115**	**416,252**	323,751	**88,698**	66,135
Total listed units trusts	**194**	**416,252**	323,751	**88,698**	66,135
Total financial assets at fair value through profit or loss	**15,833**	**16,916,804**	14,555,308	**914,064**	718,968

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

7 Financial liabilities at fair value through profit or loss

	Vanguard Emerging Markets Shares Index Fund		Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
	Fair value $'000	Fair value $'000	**Fair value $'000**	Fair value $'000	**Fair value $'000**	Fair value $'000
Financial liabilities at fair value through profit or loss						
Derivatives	**-**	123	**159**	30	**-**	2
Total financial liabilities at fair value through profit or loss	**-**	123	**159**	30	**-**	2
Comprising:						
Derivatives						
Foreign currency forward contracts	**-**	32	**4**	-	**-**	-
International share price futures	**-**	91	**155**	30	**-**	2
Total derivatives	**-**	123	**159**	30	**-**	2
Total financial liabilities at fair value through profit or loss	**-**	123	**159**	30	**-**	2

	Vanguard Global Infrastructure Index Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
	Fair value $'000	Fair value $'000	**Fair value $'000**	Fair value $'000	**Fair value $'000**	Fair value $'000
Financial liabilities at fair value through profit or loss						
Derivatives	**44**	18	**-**	101	**3**	35
Total financial liabilities at fair value through profit or loss	**44**	18	**-**	101	**3**	35
Comprising:						
Derivatives						
Foreign currency forward contracts	**4**	18	**-**	99	**-**	-
Australian share price futures	**1**	-	**-**	-	**-**	-
International share price futures	**39**	-	**-**	2	**3**	35
Total derivatives	**44**	18	**-**	101	**3**	35
Total financial liabilities at fair value through profit or loss	**44**	18	**-**	101	**3**	35

An overview of the risk exposures relating to financial liabilities at fair value through profit or loss is included in note 3.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

8 Derivative financial instruments

In the normal course of business the Funds enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of a Fund against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds hold the following derivative instruments:

Forward currency contracts

Forward currency contracts are primarily used by the Funds to manage against foreign currency risks on their investments. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period

Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Funds are exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

The Funds' derivative financial instruments at year-end are detailed below:

	Vanguard FTSE Asia ex Japan Shares Index ETF					
	2019			2018		
	Contract/ Notional	Fair value		Contract/ Notional	Fair value	
		Assets	Liabilities		Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**1,137**	**-**	**-**	1,150	-	-
International share price index futures	**-**	**-**	**-**	(144)	-	-
International exchange traded options	**-**	**1**	**-**	-	-	-
Total	**1,137**	**1**	**-**	1,006	-	-

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Notes to the financial statements (continued)

For the year ended 30 June 2019

8 Derivative financial instruments (continued)

Vanguard Emerging Markets Shares Index Fund

	2019			2018		
	Contract/ Notional	Fair value Assets	Liabilities	Contract/ Notional	Fair value Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**7,912**	**-**	**-**	5,568	-	32
International share price index futures	**3,978**	**10**	**-**	15,974	-	91
International exchange traded options	**-**	**4**	**-**	-	-	-
Total	**11,890**	**14**	**-**	21,542	-	123

Vanguard FTSE Europe Shares ETF

	2019			2018		
	Contract/ Notional	Fair value Assets	Liabilities	Contract/ Notional	Fair value Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**3,064**	**-**	**-**	-	-	-
Total	**3,064**	**-**	**-**	-	-	-

Vanguard FTSE Emerging Markets Shares ETF

	2019			2018		
	Contract/ Notional	Fair value Assets	Liabilities	Contract/ Notional	Fair value Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**1,425**	**-**	**-**	-	-	-
Total	**1,425**	**-**	**-**	-	-	-

Vanguard International Property Securities Index Fund

	2019			2018		
	Contract/ Notional	Fair value Assets	Liabilities	Contract/ Notional	Fair value Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**11,738**	**3**	**4**	394	-	-
International share price index futures	**10,770**	**8**	**155**	24,129	174	30
Total	**22,508**	**11**	**159**	24,523	174	30

Vanguard Global Value Equity Fund

	2019			2018		
	Contract/ Notional	Fair value Assets	Liabilities	Contract/ Notional	Fair value Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**216**	**-**	**-**	-	-	-
International share price index futures	**112**	**3**	**-**	107	-	2
Total	**328**	**3**	**-**	107	-	2

Vanguard Global Infrastructure Index Fund

	2019			2018		
	Contract/ Notional	Fair value Assets	Liabilities	Contract/ Notional	Fair value Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Forward currency contracts	**2,958**	**-**	**4**	4,765	6	18
Australian share price index futures	**328**	**-**	**1**	-	-	-
International share price index futures	**7,551**	**22**	**39**	1,159	3	-
Total	**10,837**	**22**	**44**	5,924	9	18

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Notes to the financial statements (continued)

For the year ended 30 June 2019

8 Derivative financial instruments (continued)

	Vanguard Global Multi-Factor Fund		
	2019		
	Contract/ Notional **$'000**	Fair value Assets **$'000**	Liabilities **$'000**
International share price index futures	**56**	**2**	**-**
Total	**56**	**2**	**-**

	Vanguard International Shares Index Fund					
	2019			2018		
	Contract/ Notional **$'000**	Fair value Assets **$'000**	Liabilities **$'000**	Contract/ Notional $'000	Fair value Assets $'000	Liabilities $'000
Forward currency contracts	**35,640**	**16**	**-**	225,255	23	99
International share price index futures	**27,108**	**134**	**-**	(10,410)	3	2
Total	**62,748**	**150**	**-**	214,845	26	101

	Vanguard International Small Companies Index Fund					
	2019			2018		
	Contract/ Notional **$'000**	Fair value Assets **$'000**	Liabilities **$'000**	Contract/ Notional $'000	Fair value Assets $'000	Liabilities $'000
Forward currency contracts	**13,106**	**-**	**-**	1,617	4	-
International share price index futures	**8,073**	**49**	**2**	2,473	2	35
International exchange traded options	**-**	**4**	**-**	-	7	-
Total	**21,179**	**53**	**2**	4,090	13	35

Risk exposures and fair value measurements

Information about the Funds' exposure to credit risk and foreign exchange risk, and about the methods and assumptions used in determining fair values is provided in note 3 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

9 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. Otherwise the financial instrument should be disclosed as a liability.

On 1 July 2017, the Funds have elected into the AMIT tax regime. The Funds' Constitution have been amended on the same date and they no longer have a contractual obligation to pay distributions to unitholders.

The impact of this for the Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard International Property Securities Index Fund is that their net assets attributable to unitholders is no longer disclosed as a liability, but rather as equity. As a result of the reclassification, the Funds' distributions are no longer classified as finance cost in the statement of comprehensive income, but rather as distributions paid in the statement of changes in equity.

For the remaining Funds (except Vanguard Global Value Equity Fund), their net assets attributable to unitholders remain disclosed as a liability as their multi-class structure means they have not met the strict criteria for recognition as equity, despite their election into the AMIT tax regime also. The Vanguard Global Value Equity Fund lost its AMIT status as of 1 July 2018 and units in the Fund are classified as a liability as at 30 June 2019.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

9 Net assets attributable to unitholders (continued)

Movement in number of units and net assets attributable to unitholders during the year were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard Emerging Markets Shares Index Fund			
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**1,494**	466	**95,816**	27,326	**479,435**	587,575	**1,005,897**	1,126,765
Applications	**1,050**	1,025	**67,518**	67,418	**170,742**	118,373	**359,070**	249,121
Redemptions	**-**	-	**-**	-	**(71,371)**	(239,441)	**(149,654)**	(509,340)
Units issued upon reinvestment of distributions	**6**	3	**386**	173	**10,607**	12,928	**22,305**	25,379
Distributions paid and payable	**-**	-	**(2,932)**	(1,913)	**-**	-	**(39,692)**	(25,111)
Profit/(loss) for the year	**-**	-	**6,842**	2,812	**-**	-	**72,638**	139,083
Closing balance as at 30 June	**2,550**	1,494	**167,630**	95,816	**589,413**	479,435	**1,270,564**	1,005,897

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**3,511**	1,600	**191,578**	82,374	**3,197**	1,859	**204,056**	110,433
Applications	**695**	1,910	**37,359**	102,802	**1,460**	1,435	**93,835**	93,591
Redemptions	**-**	-	**-**	-	**-**	(100)	**-**	(6,785)
Units issued upon reinvestment of distributions	**4**	1	**211**	71	**8**	3	**486**	215
Distributions paid and payable	**-**	-	**(6,162)**	(4,461)	**-**	-	**(5,525)**	(2,991)
Profit/(loss) for the year	**-**	-	**13,301**	10,792	**-**	-	**22,649**	9,593
Closing balance as at 30 June	**4,210**	3,511	**236,287**	191,578	**4,665**	3,197	**315,501**	204,056

	Vanguard International Property Securities Index Fund			
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**1,520,147**	1,681,146	**1,641,251**	1,815,988
Applications	**598,069**	860,980	**660,842**	914,288
Redemptions	**(612,145)**	(1,128,839)	**(670,059)**	(1,186,335)
Units issued upon reinvestment of distributions	**113,007**	106,860	**122,991**	114,989
Distributions paid and payable	**-**	-	**(87,406)**	(151,854)
Profit/(loss) for the year	**-**	-	**219,690**	134,175
Closing balance as at 30 June	**1,619,078**	1,520,147	**1,887,309**	1,641,251

	Vanguard Global Value Equity Fund							
	Wholesale Class				ETF Class			
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**17,544**	15,059	**20,397**	16,715	**120**	-	**5,990**	-
Applications	**7,206**	2,796	**8,297**	3,352	**180**	120	**8,929**	6,249
Redemptions	**(18,380)**	(1,368)	**(20,558)**	(1,570)	**-**	-	**-**	-
Units issued upon reinvestment of distributions	**1,230**	1,057	**1,424**	1,205	**1**	-	**36**	-
Increase/(decrease) in net assets attributable to unitholders	-	-	**(1,204)**	695	-	-	**(578)**	(259)
Closing balance as at 30 June	**7,600**	17,544	**8,356**	20,397	**301**	120	**14,377**	5,990

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Notes to the financial statements (continued)

For the year ended 30 June 2019

9 Net assets attributable to unitholders (continued)

	Vanguard Global Infrastructure Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**289,932**	234,182	**322,101**	252,521	**-**	-	**-**	-
Applications	**324,721**	157,329	**390,516**	171,012	**295**	-	**16,211**	-
Redemptions	**(118,235)**	(110,189)	**(141,128)**	(117,559)	**-**	-	**-**	-
Units issued upon reinvestment of distributions	**11,646**	8,610	**13,366**	9,278	**-**	-	**2**	-
Increase/(decrease) in net assets attributable to unitholders	-	-	**76,737**	-	-	-	**591**	-
Distributions paid and payable	-	-	**-**	(18,155)	-	-	**-**	-
Profit/(loss) for the year	-	-	**-**	25,004	-	-	**-**	-
Closing balance as at 30 June*	**508,064**	289,932	**661,592**	322,101	**295**	-	**16,804**	-

**Net assets attributable to unitholders are classified as financial liability at 30 June 2019 and as financial equity at 30 June 2018.*

	Vanguard Global Multi-Factor Fund			
	Wholesale Class		ETF Class	
	30 Jun 2019 No. '000	**30 Jun 2019 $'000**	**30 Jun 2019 No. '000**	**30 Jun 2019 $'000**
Balance as at 1 July	**-**	**-**	**-**	**-**
Applications	**1,569**	**1,570**	**285**	**14,242**
Redemptions	**-**	**-**	**-**	**-**
Units issued upon reinvestment of distributions	**-**	**-**	**-**	**-**
Increase/(decrease) in net assets attributable to unitholders	-	**8**	-	**91**
Closing balance as at 30 June	**1,569**	**1,578**	**285**	**14,333**

	Vanguard International Shares Index Fund					
	Wholesale Class		ETF Class		B Class	
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000
Balance as at 1 July	**5,942,746**	5,529,517	**15,816**	8,753	**5,784**	3,756
Applications	**1,211,352**	1,591,876	**6,770**	7,035	**2,087**	2,218
Redemptions	**(1,131,744)**	(1,459,360)	**-**	-	**(101)**	(312)
Units issued upon reinvestment of distributions	**231,940**	280,713	**60**	28	**193**	122
Closing balance as at 30 June	**6,254,294**	5,942,746	**22,646**	15,816	**7,963**	5,784

	Vanguard International Shares Index Fund					
	Wholesale Class		ETF Class		B Class	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**12,867,849**	10,762,500	**1,083,338**	527,943	**393,852**	224,514
Applications	**2,676,567**	3,234,263	**478,744**	453,664	**144,495**	140,771
Redemptions	**(2,517,088)**	(3,077,822)	**-**	-	**(7,000)**	(20,447)
Units issued upon reinvestment of distributions	**503,028**	553,341	**4,169**	1,758	**13,304**	7,615
Increase/(decrease) in net assets attributable to unitholders	**886,764**	1,395,567	**126,928**	99,973	**46,930**	41,399
Closing balance as at 30 June	**14,417,120**	12,867,849	**1,693,179**	1,083,338	**591,581**	393,852

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Notes to the financial statements (continued)

For the year ended 30 June 2019

9 Net assets attributable to unitholders (continued)

	Vanguard International Small Companies Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2019 No. '000	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 No. '000**	30 Jun 2018 No. '000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Balance as at 1 July	**410,805**	266,559	**694,715**	400,532	**-**	-	**-**	-
Applications	**149,171**	159,911	**246,452**	248,773	**200**	-	**10,158**	-
Redemptions	**(45,981)**	(36,318)	**(76,500)**	(59,569)	**-**	-	**-**	-
Units issued upon reinvestment of distributions	**25,899**	20,653	**42,720**	31,721	**-**	-	**3**	-
Increase/(decrease) in net assets attributable to unitholders	-	-	**(20,324)**	-	-	-	**111**	-
Distributions paid and payable	-	-	**-**	(38,757)	-	-	**-**	-
Profit/loss for the year	-	-	**-**	112,015	-	-	**-**	-
Closing balance as at 30 June*	**539,894**	410,805	**887,063**	694,715	**200**	-	**10,272**	-

**Net assets attributable to unitholders are classified as financial liability at 30 June 2019 and as financial equity at 30 June 2018.*

Each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. The Vanguard FTSE Asia ex Japan Shares Index ETF, Vanguard Emerging Markets Shares Index Fund, Vanguard FTSE Europe Shares ETF, Vanguard FTSE Emerging Markets Shares ETF and Vanguard International Property Securities Index Fund have no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

Capital risk management

The Funds consider their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified either as a liability or equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Funds' investment strategy remains unchanged and the Funds continue to hold direct investments which provide exposure to liquid assets including equity securities, income securities, interest earnings and cash equivalent securities. As such, the Funds will meet any capital requirements from the liquidation of liquid assets, which include cash and cash equivalents.

10 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF				Vanguard Emerging Markets Shares Index Fund			
	30 Jun 2019		30 Jun 2018		**30 Jun 2019**		30 Jun 2018	
	$'000	**CPU**	$'000	CPU	**$'000**	**CPU**	$'000	CPU
Distributions paid								
- 30 September	**1,096**	**65.3582**	395	69.0460	**10,470**	**1.9807**	12,854	2.0857
- 31 December	**234**	**12.5125**	165	20.7443	**2,562**	**0.4551**	3,379	0.5278
- 31 March	**155**	**7.3464**	68	6.5070	**6,941**	**1.2393**	860	0.1329
Distributions payable								
- 30 June	**1,447**	**55.5161**	1,285	85.2253	**19,719**	**3.3455**	8,018	1.6725
	2,932	**140.7332**	1,913	181.5226	**39,692**	**7.0206**	25,111	4.4189

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Notes to the financial statements (continued)

For the year ended 30 June 2019

10 Distributions to unitholders paid and payable (continued)

	Vanguard FTSE Europe Shares ETF				Vanguard FTSE Emerging Markets Shares ETF			
	30 Jun 2019		30 Jun 2018		**30 Jun 2019**		30 Jun 2018	
	$'000	**CPU**	$'000	CPU	**$'000**	**CPU**	$'000	CPU
Distributions paid								
- 30 September	**596**	**15.9338**	331	15.4419	**1,943**	**55.2008**	1,254	55.5631
- 31 December	**868**	**21.5352**	641	24.8699	**1,216**	**31.9388**	638	23.5353
- 31 March	**1,102**	**26.6530**	562	18.8341	**629**	**15.2437**	163	5.3592
Distributions payable								
- 30 June	**3,596**	**85.1233**	2,927	83.1389	**1,737**	**36.1099**	936	28.2836
	6,162	**149.2453**	4,461	142.2848	**5,525**	**138.4932**	2,991	112.7412

	Vanguard International Property Securities Index Fund			
	30 Jun 2019		30 Jun 2018	
	$'000	**CPU**	$'000	CPU
Distributions paid				
- 30 September	**19,130**	**1.2422**	12,828	0.7496
- 31 December	**22,698**	**1.5936**	17,523	1.0699
- 31 March	**29,020**	**1.8840**	18,562	1.1573
Distributions payable				
- 30 June	**16,558**	**1.0227**	102,941	6.7718
	87,406	**5.7425**	151,854	9.7486

	Vanguard Global Value Equity Fund							
	Wholesale Class				ETF Class			
	30 Jun 2019		30 Jun 2018		**30 Jun 2019**		30 Jun 2018	
	$'000	**CPU**	$'000	CPU	**$'000**	**CPU**	$'000	CPU
Distributions paid								
- 30 September	**91**	**0.4188**	69	0.4696	**42**	**19.9288**	-	-
- 31 December	**71**	**0.3000**	227	1.4429	**34**	**13.4943**	-	-
- 31 March	**59**	**0.4003**	281	1.6847	**51**	**18.2026**	-	-
Distributions payable								
- 30 June	**224**	**2.9531**	1,288	7.3422	**202**	**66.5010**	296	246.8478
	445	**4.0722**	1,865	10.9394	**329**	**118.1267**	296	246.8478

	Vanguard Global Infrastructure Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2019		30 Jun 2018		**30 Jun 2019**		30 Jun 2018	
	$'000	**CPU**	$'000	CPU	**$'000**	**CPU**	$'000	CPU
Distributions paid								
- 30 September	**2,062**	**0.6876**	1,734	0.5974	**-**	**-**	-	-
- 31 December	**3,634**	**0.8528**	1,754	0.5575	**7**	**14.8812**	-	-
- 31 March	**4,939**	**1.0780**	1,920	0.6729	**34**	**30.0149**	-	-
Distributions payable								
- 30 June	**10,395**	**2.0460**	12,747	4.3966	**95**	**31.8867**	-	-
	21,030	**4.6644**	18,155	6.2244	**136**	**76.7828**	-	-

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Notes to the financial statements (continued)

For the year ended 30 June 2019

10 Distributions to unitholders paid and payable (continued)

	Vanguard Global Multi-Factor Fund			
	Wholesale Class		ETF Class	
	30 Jun 2019		**30 Jun 2019**	
	$'000	**CPU**	**$'000**	**CPU**
Distributions paid				
- 30 September	**-**	**-**	**-**	**-**
- 31 December	**-**	**-**	**-**	**-**
- 31 March	**-**	**-**	**-**	**-**
Distributions payable				
- 30 June	**9**	**0.5903**	**84**	**29.3151**
	9	**0.5903**	**84**	**29.3151**

	Vanguard International Shares Index Fund											
	Wholesale Class				ETF Class				B Class			
	30 Jun 2019		30 Jun 2018		**30 Jun 2019**		30 Jun 2018		**30 Jun 2019**		30 Jun 2018	
	$'000	**CPU**	$'000	CPU	**$'000**	**CPU**	$'000	CPU	**CPU**	**$'000**	CPU	$'000
Distributions paid												
- 30 September	**78,253**	**1.3204**	48,253	0.7780	**5,128**	**30.3549**	2,532	23.7575	**1,833**	**31.0283**	1,127	23.1929
- 31 December	**142,787**	**2.3553**	74,559	1.1935	**7,585**	**39.0286**	3,801	30.3604	**2,660**	**39.7719**	1,608	29.7043
- 31 March	**151,015**	**2.4752**	43,394	0.6791	**10,057**	**48.4093**	3,006	20.9675	**3,553**	**47.8924**	1,209	21.0695
Distributions payable												
- 30 June	**340,052**	**5.4371**	302,265	5.0863	**16,761**	**72.9679**	14,481	90.8573	**5,886**	**73.9128**	5,259	90.9168
	712,107	**11.5880**	468,471	7.7369	**39,531**	**190.7607**	23,820	165.9427	**13,932**	**192.6054**	9,203	164.8835

	Vanguard International Small Companies Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2019		30 Jun 2018		**30 Jun 2019**		30 Jun 2018	
	$'000	**CPU**	$'000	CPU	**$'000**	**CPU**	$'000	CPU
Distributions paid								
- 30 September	**2,051**	**0.4514**	939	0.2515	**-**	**-**	-	-
- 31 December	**7,033**	**1.4508**	6,917	1.7858	**14**	**36.5737**	-	-
- 31 March	**7,506**	**1.4782**	1,727	0.4224	**27**	**23.4608**	-	-
Distributions payable								
- 30 June	**27,076**	**5.0149**	29,174	7.1016	**275**	**136.8293**	-	-
	43,666	**8.3953**	38,757	9.5613	**316**	**196.8638**	-	-

11 Cash and cash equivalents

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018	**30 Jun 2019**	30 Jun 2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Domestic cash at bank	**16**	28	**1,163**	5,826	**96**	64	**226**	4
Foreign cash at bank	**598**	672	**9,520**	7,107	**238**	102	**147**	214
Total cash and cash equivalents	**614**	700	**10,683**	12,933	**334**	166	**373**	218

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Notes to the financial statements (continued)

For the year ended 30 June 2019

11 Cash and cash equivalents (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Domestic cash at bank	**2,227**	1,206	**39**	115	**2,432**	3,261
Foreign cash at bank	**17,368**	12,481	**489**	19	**7,720**	2,874
Total cash and cash equivalents	**19,595**	13,687	**528**	134	**10,152**	6,135

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Domestic cash at bank	**9**	**26,267**	8,052	**672**	279
Foreign cash at bank	**57**	**59,843**	181,495	**6,765**	3,509
Total cash and cash equivalents	**66**	**86,110**	189,547	**7,437**	3,788

12 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	**6,842**	2,812	**72,638**	139,083	**13,301**	10,792	**22,649**	9,593
Proceeds from sale of financial instruments at fair value through profit or loss	**3,227**	3,898	**98,643**	485,605	**5,275**	2,621	**3,852**	7,680
Purchases of financial instruments at fair value through profit or loss	**(71,127)**	(71,176)	**(336,606)**	(228,502)	**(43,097)**	(109,242)	**(98,275)**	(98,183)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(3,766)**	(1,339)	**(47,318)**	(114,707)	**(7,434)**	(6,254)	**(17,738)**	(6,598)
Net change in receivables	**(411)**	(285)	**(1,610)**	39	**(5)**	(6)	**(10)**	(9)
Net change in payables	**87**	28	**746**	(64)	**10**	27	**37**	36
Non-cash items	**(86)**	(70)	**(6)**	(2,027)	**-**	-	**-**	-
Net cash inflow/(outflow) from operating activities	**(65,234)**	(66,132)	**(213,513)**	279,427	**(31,950)**	(102,062)	**(89,485)**	(87,481)
(b) Non-cash financing activities								
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**386**	173	**22,305**	25,379	**211**	71	**486**	215

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Notes to the financial statements (continued)

For the year ended 30 June 2019

12 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss) for the year	**219,690**	134,175	**-**	-	**-**	25,004
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(1,782)**	436	**77,328**	-
Distribution to unitholders	**-**	-	**774**	2,161	**21,166**	-
Proceeds from sale of financial instruments at fair value through profit or loss	**587,951**	1,316,568	**30,781**	15,164	**90,228**	106,515
Purchases of financial instruments at fair value through profit or loss	**(612,331)**	(909,568)	**(27,209)**	(23,614)	**(347,815)**	(155,230)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(160,724)**	(75,703)	**1,607**	(2,255)	**(86,783)**	(16,780)
Net change in receivables	**(587)**	(239)	**1**	(30)	**(716)**	(152)
Net change in payables	**83**	(144)	**(1)**	2	**134**	22
Non-cash items	**(1)**	(4,972)	**-**	(2)	**(603)**	(310)
Net cash inflow/(outflow) from operating activities	**34,081**	460,117	**4,171**	(8,138)	**(247,061)**	(40,931)
(b) Non-cash financing activities						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**122,991**	114,989	**1,460**	1,205	**13,368**	9,278

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities					
Profit/(loss) for the year	**-**	**-**	-	**-**	112,015
Increase/(decrease) in net assets attributable to unitholders	**99**	**1,060,622**	1,536,939	**(20,213)**	-
Distribution to unitholders	**93**	**765,570**	501,494	**43,982**	-
Proceeds from sale of financial instruments at fair value through profit or loss	**524**	**1,045,585**	1,638,637	**121,805**	103,944
Purchases of financial instruments at fair value through profit or loss	**(16,361)**	**(1,902,605)**	(2,656,710)	**(311,862)**	(305,540)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(103)**	**(1,506,515)**	(1,766,178)	**(12,148)**	(103,916)
Net change in receivables	**(23)**	**(11,025)**	(7,951)	**(635)**	(456)
Net change in payables	**5**	**241**	451	**343**	104
Non-cash items	**(2)**	**(1,134)**	(2,911)	**-**	(70)
Net cash inflow/(outflow) from operating activities	**(15,768)**	**(549,261)**	(756,229)	**(178,728)**	(193,919)
(b) Non-cash financing activities					
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**-**	**520,501**	562,714	**42,723**	31,721

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Notes to the financial statements (continued)

For the year ended 30 June 2019

13 Remuneration of auditors

The auditor's remuneration is borne by the Responsible Entity. During the year, the following fees were paid or payable for services provided by the auditor of the Funds.

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019 $	30 Jun 2018 $	**30 Jun 2019 $**	30 Jun 2018 $	**30 Jun 2019 $**	30 Jun 2018 $
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	**20,500**	20,500	**20,500**	20,500	**20,500**	20,500
Audit of compliance plan and specified assertions report	**3,589**	3,433	**3,589**	3,433	**3,589**	3,433
Total remuneration for audit and other assurance services	**24,089**	23,933	**24,089**	23,933	**24,089**	23,933
Taxation services						
Tax compliance services	**8,250**	7,982	**8,250**	7,982	**9,865**	9,597
Total remuneration for taxation services	**8,250**	7,982	**8,250**	7,982	**9,865**	9,597
Total remuneration of PricewaterhouseCoopers	**32,339**	31,915	**32,339**	31,915	**33,954**	33,530

	Vanguard Emerging Markets Shares Index Fund		Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund	
	30 Jun 2019 $	30 Jun 2018 $	**30 Jun 2019 $**	30 Jun 2018 $	**30 Jun 2019 $**	30 Jun 2018 $
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	**18,500**	18,500	**18,500**	18,500	**26,000**	15,500
Audit of compliance plan, specified assertions report and internal controls report	**9,402**	7,412	**9,402**	7,412	**9,402**	7,412
Total remuneration for audit and other assurance services	**27,902**	25,912	**27,902**	25,912	**35,402**	22,912
Taxation services						
Tax compliance services	**9,865**	9,597	**9,865**	9,597	**9,865**	9,597
Total remuneration for taxation services	**9,865**	9,597	**9,865**	9,597	**9,865**	9,597
Total remuneration of PricewaterhouseCoopers	**37,767**	35,509	**37,767**	35,509	**45,267**	32,509

	Vanguard Global Infrastructure Index Fund		Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019 $	30 Jun 2018 $	**30 Jun 2019 $**	30 Jun 2018 $	**30 Jun 2019 $**	30 Jun 2018 $
PricewaterhouseCoopers						
Audit and other assurance services						
Audit and review of financial statements	**21,000**	18,000	**24,500**	24,500	**21,500**	18,500
Audit of compliance plan, specified assertions report and internal controls report	**9,402**	7,412	**9,402**	7,412	**9,402**	7,412
Total remuneration for audit and other assurance services	**30,402**	25,412	**33,902**	31,912	**30,902**	25,912
Taxation services						
Tax compliance services	**9,865**	9,597	**9,865**	10,367	**9,865**	9,597
Total remuneration for taxation services	**9,865**	9,597	**9,865**	10,367	**9,865**	9,597
Total remuneration of PricewaterhouseCoopers	**40,267**	35,009	**43,767**	42,279	**40,767**	35,509

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Notes to the financial statements (continued)

For the year ended 30 June 2019

13 Remuneration of auditors (continued)

	Vanguard Global Multi-Factor Fund 30 Jun 2019 $
PricewaterhouseCoopers	
Audit and other assurance services	
Audit of financial statements	**24,500**
Audit of compliance plan, specified assertions report and internal controls report	**9,402**
Total remuneration for audit and other assurance services	**33,902**
Taxation services	
Tax compliance services	**9,865**
Total remuneration for taxation services	**9,865**
Total remuneration of PricewaterhouseCoopers	**43,767**

14 Related party transactions

Responsible Entity

The Responsible Entity of the Vanguard Wholesale International Equities Funds (Unhedged) & ETFs is Vanguard Investments Australia Ltd (ABN 72 072 881 086 AFSL 227263), which is a wholly owned subsidiary of The Vanguard Group, Inc.

Key management personnel

Key management personnel includes persons who were directors of Responsible Entity at any time during the financial year as follows:

J M Norris

C Kelton (Resigned 4 September 2018)

L Carr (Resigned 1 March 2019)

C Lui

J Platt

F Kolimago (Appointed 4 September 2018)

No other person had authority and responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial year.

Transactions with key management personnel

Key management personnel services are provided by Vanguard Investments Australia Ltd and included in the management fees. There is no separate charge for these services. There was no compensation paid directly by the Funds to any of the key management personnel.

Key management personnel unitholdings

The key management personnel of Vanguard Investments Australia Ltd (VIA) did not hold any units in the Funds during the financial year ended 30 June 2019.

Key management personnel remuneration

Key management personnel are paid by the Responsible Entity. Payments made from the Funds do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Related party transactions (continued)

Responsible Entity's fees and other transactions

During the year ended 30 June 2019, the Responsible Entity received an all-inclusive management fee (inclusive of GST, net of RITC available to the Funds) over the Funds' average net assets attributable to unitholders for the year as follows:

	Management costs	
	2019 % per annum	2018 % per annum
Vanguard FTSE Asia ex Japan Shares Index ETF	**0.40**	0.40
Vanguard Emerging Markets Shares Index Fund	**0.56**	0.56
Vanguard FTSE Europe Shares ETF	**0.35**	0.35
Vanguard FTSE Emerging Markets Shares ETF	**0.48**	0.48
Vanguard International Property Securities Index Fund	**0.40**	0.40
Vanguard Global Value Equity Fund - Wholesale Class	**0.35**	0.35
Vanguard Global Value Equity Fund - ETF Class	**0.28**	0.28
Vanguard Global Infrastructure Index Fund - Wholesale Class	**0.49**	0.49
Vanguard Global Infrastructure Index Fund - ETF Class	**0.47**	N/A
Vanguard Global Multi-Factor Fund - Wholesale Class	**0.35**	N/A
Vanguard Global Multi-Factor Fund - ETF Class	**0.33**	N/A
Vanguard International Shares Index Fund - Wholesale Class	**0.18**	0.18
Vanguard International Shares Index Fund - ETF Class	**0.18**	0.18
Vanguard International Shares Index Fund - B Class	**0.18**	0.18
Vanguard International Small Companies Index Fund - Wholesale Class	**0.39**	0.39
Vanguard International Small Companies Index Fund - ETF Class	**0.32**	N/A

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year-end between the Funds and the Responsible Entity are as follows:

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Responsible Entity's fees for the year	**495**	217	**6,410**	7,340	**580**	351	**909**	589
Total fees payable to the Responsible Entity at year end	**54**	30	**574**	473	**53**	41	**101**	59

	Vanguard International Property Securities Index Fund		Vanguard Global Value Equity Fund		Vanguard Global Infrastructure Index Fund	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Responsible Entity's fees for the year	**6,859**	6,986	**102**	67	**2,310**	1,538
Total fees payable to the Responsible Entity at year end	**618**	535	**6**	7	**264**	130

	Vanguard Global Multi-Factor Fund	Vanguard International Shares Index Fund		Vanguard International Small Companies Index Fund	
	30 Jun 2019 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Responsible Entity's fees for the year	**11**	**27,722**	25,323	**3,120**	2,453
Total fees payable to the Responsible Entity at year end	**5**	**2,488**	2,194	**580**	237

Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Related party transactions (continued)

Related party unitholdings

Parties related to the Funds including the Responsible Entity, its affiliates or other schemes managed by the Responsible Entity held units in the Funds as follows:

	Vanguard Emerging Markets Shares Index Fund						
30 Jun 2019 Unitholder	**Number of units held opening Units**	**Number of units held closing Units**	**Fair value of investments $**	**Interest held at year end %**	**Number of units acquired Units**	**Number of units disposed Units**	**Distributions paid/payable by the Fund $**
Vanguard LifeStrategy® Conservative Fund	**375,540**	**427,812**	**920,800**	**0.07**	**173,332**	**121,060**	**29,087**
Vanguard LifeStrategy® Balanced Fund	**1,579,360**	**1,824,404**	**3,926,745**	**0.31**	**263,031**	**17,987**	**125,569**
Vanguard LifeStrategy® Growth Fund	**3,501,686**	**3,974,094**	**8,553,620**	**0.67**	**679,008**	**206,600**	**278,565**
Vanguard LifeStrategy® High Growth Fund	**4,628,682**	**5,732,041**	**12,337,329**	**0.97**	**1,153,162**	**49,803**	**389,472**
Vanguard Conservative Index Fund	**14,288,252**	**17,410,887**	**37,474,231**	**2.95**	**3,122,635**	**-**	**1,173,387**
Vanguard Balanced Index Fund	**43,199,841**	**59,795,551**	**128,700,635**	**10.14**	**16,595,710**	**-**	**3,869,135**
Vanguard Growth Index Fund	**61,718,274**	**90,329,730**	**194,420,713**	**15.33**	**33,009,041**	**4,397,585**	**5,701,167**
Vanguard High Growth Index Fund	**46,081,636**	**58,872,973**	**126,714,929**	**9.99**	**18,084,601**	**5,293,264**	**3,862,121**
Vanguard Managed Payout Fund	**-**	**338,454**	**728,470**	**0.06**	**414,823**	**76,369**	**21,081**

	Vanguard Emerging Markets Shares Index Fund						
30 Jun 2018 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments $	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund $
Vanguard LifeStrategy® Conservative Fund	282,443	375,540	789,377	0.08	195,730	102,633	16,789
Vanguard LifeStrategy® Balanced Fund	1,290,273	1,579,360	3,319,776	0.33	946,729	657,642	70,788
Vanguard LifeStrategy® Growth Fund	2,962,615	3,501,686	7,360,457	0.73	660,106	121,035	150,337
Vanguard LifeStrategy® High Growth Fund	3,686,030	4,628,682	9,729,376	0.97	1,239,827	297,175	192,294
Vanguard Conservative Index Fund	9,675,294	14,288,252	30,033,554	2.98	5,084,945	471,987	590,881
Vanguard Balanced Index Fund	29,184,864	43,199,841	90,805,006	9.01	14,014,977	-	1,776,250
Vanguard Growth Index Fund	38,688,786	61,718,274	129,730,298	12.87	24,721,970	1,692,482	2,388,203
Vanguard High Growth Index Fund	25,636,702	46,081,636	96,862,469	9.61	20,444,934	-	1,688,042

	Vanguard International Property Securities Index Fund						
30 Jun 2019 Unitholder	**Number of units held opening Units**	**Number of units held closing Units**	**Fair value of investments $**	**Interest held at year end %**	**Number of units acquired Units**	**Number of units disposed Units**	**Distributions paid/payable by the Fund $**
Vanguard International Property Securities Index Fund (Hedged)	**1,040,581,965**	**1,132,207,084**	**1,319,783,783**	**69.93**	**554,326,958**	**462,701,839**	**60,826,985**

	Vanguard International Property Securities Index Fund						
30 Jun 2018 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments $	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund $
Vanguard International Property Securities Index Fund (Hedged)	1,251,897,108	1,040,581,965	1,124,225,962	68.45	806,596,464	,017,911,607	105,060,348

	Vanguard Global Value Equity Fund						
30 Jun 2019 Unitholder	**Number of units held opening Units**	**Number of units held closing Units**	**Fair value of investments $**	**Interest held at year end %**	**Number of units acquired Units**	**Number of units disposed Units**	**Distributions paid/payable by the Fund $**
Vanguard Investments Australia Ltd	**14,185,784**	**-**	**-**	**-**	**1,013,769**	**15,199,553**	**132,439**
Vanguard Managed Payout Fund	**-**	**1,096,202**	**1,204,912**	**14.42**	**1,232,839**	**136,637**	**41,720**

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Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Related party transactions (continued)

Related party unitholdings (continued)

	Vanguard Global Value Equity Fund						
30 Jun 2018 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments $	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund $
Vanguard Investments Australia Ltd	13,250,117	14,185,784	16,487,828	80.86	935,667	-	1,541,152

	Vanguard Global Infrastructure Index Fund						
30 Jun 2019 Unitholder	Number of units held opening **Units**	Number of units held closing **Units**	Fair value of investments **$**	Interest held at year end **%**	Number of units acquired **Units**	Number of units disposed **Units**	Distributions paid/payable by the Fund **$**
Vanguard Global Infrastructure Index Fund (Hedged)	**119,710,676**	**226,829,408**	**295,363,693**	**44.65**	**169,717,661**	**62,598,929**	**9,716,256**
Vanguard Managed Payout Fund	**962,513**	**-**	**-**	**-**	**38,076**	**1,000,589**	**-**

	Vanguard Global Infrastructure Index Fund						
30 Jun 2018 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments $	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund $
Vanguard Global Infrastructure Index Fund (Hedged)	64,179,974	119,710,676	132,906,845	41.29	107,038,984	51,508,282	7,064,543
Vanguard Managed Payout Fund	8,100,956	962,513	1,068,614	0.33	2,114,183	9,252,626	211,153

	Vanguard Global Multi-Factor Fund						
30 Jun 2019 Unitholder	Number of units held opening **Units**	Number of units held closing **Units**	Fair value of investments **$**	Interest held at year end **%**	Number of units acquired **Units**	Number of units disposed **Units**	Distributions paid/payable by the Fund **$**
Vanguard Investments Australia Ltd	**-**	**1,569,167**	**1,577,949**	**100.00**	**1,569,167**	**-**	**9,263**

	Vanguard International Shares Index Fund						
30 Jun 2019 Unitholder	Number of units held opening **Units**	Number of units held closing **Units**	Fair value of investments **$**	Interest held at year end **%**	Number of units acquired **Units**	Number of units disposed **Units**	Distributions paid/payable by the Fund **$**
Vanguard Index International Shares Fund	**150,659,450**	**160,799,302**	**370,904,331**	**2.57**	**25,140,467**	**15,000,615**	**18,672,224**
Vanguard LifeStrategy® Conservative Fund	**1,566,498**	**1,633,553**	**3,768,000**	**0.03**	**560,178**	**493,123**	**188,789**
Vanguard LifeStrategy® Balanced Fund	**7,559,807**	**8,245,514**	**19,019,342**	**0.13**	**1,506,668**	**820,961**	**948,738**
Vanguard LifeStrategy® Growth Fund	**17,111,475**	**19,256,429**	**44,417,437**	**0.31**	**3,740,693**	**1,595,739**	**2,209,686**
Vanguard LifeStrategy® High Growth Fund	**23,516,380**	**28,391,580**	**65,488,841**	**0.45**	**4,940,718**	**65,518**	**3,194,820**
Vanguard Conservative Index Fund	**56,581,145**	**71,134,498**	**164,080,895**	**1.14**	**16,592,380**	**2,039,027**	**7,825,353**
Vanguard Balanced Index Fund	**205,045,507**	**264,011,638**	**608,976,898**	**4.22**	**74,345,941**	**15,379,810**	**29,116,598**
Vanguard Growth Index Fund	**302,007,424**	**422,697,740**	**975,006,861**	**6.76**	**120,690,316**	**-**	**45,946,636**
Vanguard High Growth Index Fund	**218,753,772**	**302,462,096**	**697,667,838**	**4.84**	**87,970,494**	**4,262,170**	**32,788,182**
Vanguard International Shares Index Fund (Hedged)	**1,999,543,615**	**1,973,707,203**	**4,552,610,251**	**31.60**	**260,702,473**	**286,538,885**	**227,751,597**
Vanguard MSCI Index International Shares (Hedged) ETF	**5,784,203**	**7,962,874**	**591,353,857**	**0.04**	**2,279,882**	**101,211**	**13,930,570**
Vanguard Managed Payout Fund	**1,343,259**	**2,312,968**	**5,335,159**	**0.04**	**1,381,325**	**411,616**	**243,139**

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Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Related party transactions (continued)

Related party unitholdings (continued)

	Vanguard International Shares Index Fund						
30 Jun 2018 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments $	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund $
Vanguard Index International Shares Fund	139,671,341	150,659,450	326,123,049	2.54	24,272,755	13,284,646	11,628,369
Vanguard LifeStrategy® Conservative Fund	1,940,734	1,566,498	3,390,899	0.03	553,757	927,993	124,025
Vanguard LifeStrategy® Balanced Fund	8,643,778	7,559,807	16,364,240	0.13	1,384,546	2,468,517	593,122
Vanguard LifeStrategy® Growth Fund	19,918,933	17,111,475	37,040,135	0.29	2,302,202	5,109,660	1,336,181
Vanguard LifeStrategy® High Growth Fund	25,023,533	23,516,380	50,904,431	0.40	4,218,707	5,725,860	1,820,629
Vanguard Conservative Index Fund	60,223,249	56,581,145	122,477,650	0.95	13,513,871	17,155,975	4,392,479
Vanguard Balanced Index Fund	198,013,877	205,045,507	443,849,130	3.45	54,946,298	47,914,668	15,471,416
Vanguard Growth Index Fund	266,152,052	302,007,424	653,736,502	5.08	121,452,769	85,597,397	22,681,834
Vanguard High Growth Index Fund	180,447,650	218,753,772	473,522,549	3.68	88,661,794	50,355,672	16,288,824
Vanguard International Shares Index Fund (Hedged)	1,651,907,727	1,999,543,615	4,328,286,473	14.00	699,315,375	351,679,487	160,385,296
Vanguard MSCI Index International Shares (Hedged) ETF	3,756,823	5,784,203	393,679,981	0.04	2,339,384	312,004	9,203,503
Vanguard Managed Payout Fund	12,578,376	1,343,259	2,907,668	0.02	1,529,074	12,764,191	422,152

	Vanguard International Small Companies Index Fund						
30 Jun 2019 **Unitholder**	Number of units held opening **Units**	Number of units held closing **Units**	Fair value of investments **$**	Interest held at year end **%**	Number of units acquired **Units**	Number of units disposed **Units**	Distributions paid/payable by the Fund **$**
Vanguard LifeStrategy® Conservative Fund	**441,922**	**537,314**	**882,619**	**0.10**	**184,155**	**88,763**	**44,875**
Vanguard LifeStrategy® Balanced Fund	**2,181,059**	**2,754,012**	**4,523,880**	**0.51**	**928,887**	**355,934**	**227,820**
Vanguard LifeStrategy® Growth Fund	**5,087,200**	**6,384,819**	**10,488,027**	**1.18**	**1,880,139**	**582,520**	**531,097**
Vanguard LifeStrategy® High Growth Fund	**7,126,469**	**9,814,700**	**16,122,123**	**1.82**	**2,741,961**	**53,730**	**794,297**
Vanguard Conservative Index Fund	**16,655,632**	**22,942,875**	**37,687,127**	**4.25**	**7,977,178**	**1,689,935**	**1,866,482**
Vanguard Balanced Index Fund	**61,503,235**	**89,928,641**	**147,721,334**	**16.66**	**35,617,799**	**7,192,393**	**7,149,700**
Vanguard Growth Index Fund	**95,938,714**	**146,502,162**	**240,651,861**	**27.14**	**50,563,448**	**-**	**11,490,685**
Vanguard High Growth Index Fund	**69,266,622**	**104,123,596**	**171,038,685**	**19.29**	**34,856,974**	**-**	**8,221,937**
Vanguard International Small Companies Index Fund (Hedged)	**61,604,620**	**46,817,701**	**76,905,123**	**8.67**	**8,829,947**	**23,616,866**	**4,168,973**

	Vanguard International Small Companies Index Fund						
30 Jun 2018 Unitholder	Number of units held opening Units	Number of units held closing Units	Fair value of investments $	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund $
Vanguard LifeStrategy® Conservative Fund	361,375	441,922	747,017	0.11	436,073	355,526	43,524
Vanguard LifeStrategy® Balanced Fund	1,636,922	2,181,059	3,686,827	0.53	1,181,900	637,763	215,002
Vanguard LifeStrategy® Growth Fund	3,560,322	5,087,200	8,599,319	1.24	2,543,529	1,016,651	495,710
Vanguard LifeStrategy® High Growth Fund	4,589,688	7,126,469	12,046,467	1.73	3,210,269	673,488	689,748
Vanguard Conservative Index Fund	13,611,893	16,655,632	28,154,407	4.05	7,014,175	3,970,436	1,592,069
Vanguard Balanced Index Fund	37,771,995	61,503,235	103,964,058	14.97	24,369,361	638,121	5,820,932
Vanguard Growth Index Fund	48,624,983	95,938,714	162,173,226	23.35	47,313,731	-	8,972,068
Vanguard High Growth Index Fund	32,526,996	69,266,622	117,087,159	16.86	37,041,943	302,317	6,429,448
Vanguard International Small Companies Index Fund (Hedged)	44,179,582	61,604,620	104,135,437	15.00	23,559,932	6,134,894	5,823,840

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Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Related party transactions (continued)

Investments

The Funds held investments in the following schemes which were also managed by Responsible Entity or its related parties:

	Vanguard FTSE Europe Shares ETF					
30 Jun 2019	Fair value of investment **$**	Interest held **%**	Distribution received/ receivable **$**	Number of units acquired **Units**	Number of units disposed **Units**	Distribution receivable unpaid $
Vanguard FTSE Europe ETF	**236,622,548**	**1.21**	**6,434,053**	**574,877**	**74,400**	**-**
	236,622,548		**6,434,053**	**574,877**	**74,400**	**-**

	Vanguard FTSE Europe Shares ETF					
30 Jun 2018	Fair value of investment $	Interest held %	Distribution received/ receivable $	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid $
Vanguard FTSE Europe ETF	191,781,682	0.84	4,865,193	1,441,800	67,000	-
	191,781,682		4,865,193	1,441,800	67,000	-

	Vanguard FTSE Emerging Markets Shares ETF					
30 Jun 2019	Fair value of investment **$**	Interest held **%**	Distribution received/ receivable **$**	Number of units acquired **Units**	Number of units disposed **Units**	Distribution receivable unpaid $
Vanguard FTSE Emerging Markets ETF	**315,442,555**	**0.35**	**5,789,990**	**1,710,384**	**78,626**	**-**
	315,442,555		**5,789,990**	**1,710,384**	**78,626**	**-**

	Vanguard FTSE Emerging Markets Shares ETF					
30 Jun 2018	Fair value of investment $	Interest held %	Distribution received/ receivable $	Number of units acquired Units	Number of units disposed Units	Distribution receivable unpaid $
Vanguard FTSE Emerging Markets ETF	203,977,248	0.25	3,552,520	1,645,400	143,800	-
	203,977,248		3,552,520	1,645,400	143,800	-

Interest held represents the entity's year-end percentage interest of the investee funds.

A Fund's maximum exposure to loss from its interest in investee funds is equal to the total fair value of its investments in the investee funds as there is no off-balance sheet exposure relating to any of the investee funds. Once the Fund has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

The proportion of ownership interest is equal to the proportion of the voting power held.

The Funds did not hold any investments in Vanguard Investments Australia Ltd during the year.

Other transactions within the Funds

Apart from those details disclosed in this note, no directors have entered into a material contract with the Funds during the financial year and there were no material contracts involving directors' interests subsisting at year-end.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

15 Responsible Entity's fees

	Vanguard FTSE Asia ex Japan Shares Index ETF		Vanguard Emerging Markets Shares Index Fund		Vanguard FTSE Europe Shares ETF		Vanguard FTSE Emerging Markets Shares ETF		Vanguard International Property Securities Index Fund	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Responsible Entity's fees incurred by the Funds	**495**	217	**6,410**	7,340	**580**	351	**909**	589	**6,859**	6,986
Management costs per annum	**0.40%**	0.40%	**0.56%**	0.56%	**0.35%**	0.35%	**0.48%**	0.48%	**0.40%**	0.40%

	Vanguard Global Value Equity Fund				Vanguard Global Infrastructure Index Fund				Vanguard Global Multi-Factor Fund	
	Wholesale Class		ETF Class		Wholesale Class		ETF Class		Wholesale Class	ETF Class
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	**30 Jun 2019 $'000**
Responsible Entity's fees incurred by the Funds	**69**	65	**33**	2	**2,292**	1,538	**18**	-	**4**	**7**
Management costs per annum	**0.35%**	0.35%	**0.28%**	0.28%	**0.49%**	0.49%	**0.47%**	-%	**0.35%**	**0.33%**

	Vanguard International Shares Index Fund						Vanguard International Small Companies Index Fund			
	Wholesale Class		ETF Class		B Class		Wholesale Class		ETF Class	
	30 Jun 2019 $'000	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000	**30 Jun 2019 $'000**	30 Jun 2018 $'000
Responsible Entity's fees incurred by the Funds	**24,418**	23,295	**2,446**	1,441	**858**	587	**3,110**	2,453	**10**	-
Management costs per annum	**0.18%**	0.18%	**0.18%**	0.18%	**0.18%**	0.18%	**0.39%**	0.39%	**0.32%**	-%

16 Securities Lending

At 30 June 2019, the aggregate amount of securities on loan by the Funds and the value of collateral held by the Funds in respect of these securities are set out below. There was no cash collateral received.

	Value of outstanding securities on loan $'000	**Value of collateral $'000**
Vanguard FTSE Asia ex Japan Shares Index ETF	**696**	**739**
Vanguard Emerging Markets Shares Index Fund	**7,963**	**8,456**
Vanguard International Property Securities Index Fund	**11,634**	**12,437**
Vanguard Global Value Equity Fund	**315**	**337**
Vanguard Global Infrastructure Index Fund	**173**	**184**
Vanguard Global Multi-Factor Fund	**81**	**86**
Vanguard International Shares Index Fund	**67,664**	**72,294**
Vanguard International Small Companies Index Fund	**28,050**	**30,018**

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Notes to the financial statements (continued)

For the year ended 30 June 2019

17 Withholding tax on dividend and distribution income

Withholding tax on dividend and distribution income were as follows:

	2019 $'000	2018 $'000
Vanguard FTSE Asia ex Japan Shares Index ETF	**253**	90
Vanguard Emerging Markets Shares Index Fund	**3,427**	3,571
Vanguard FTSE Europe Shares ETF	**1,139**	858
Vanguard FTSE Emerging Markets Shares ETF	**1,026**	626
Vanguard International Property Securities Index Fund	**10,592**	9,712
Vanguard Global Value Equity Fund	**101**	59
Vanguard Global Infrastructure Index Fund	**1,927**	1,294
Vanguard Global Multi-Factor Fund	**11**	-
Vanguard International Shares Index Fund	**45,663**	40,266
Vanguard International Small Companies Index Fund	**1,924**	1,367

18 Events occurring after the reporting period

There are no significant events that have occurred since balance date which would impact on the financial position of the Funds as disclosed in the balance sheet as at 30 June 2019 or on the results and cash flows of the Funds for the year ended on that date.

19 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019 (2018: Nil).

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Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 11 to 70 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Funds' financial position as at 30 June 2019 and of their performance, as represented by the results of their operations for the financial year ended on that date.

(b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

F Kolimago

Managing Director

Melbourne

3 September 2019

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Independent auditor's report

To the unitholders of:

- Vanguard FTSE Asia ex Japan Shares Index ETF*
- Vanguard Emerging Markets Shares Index Fund
- Vanguard FTSE Europe Shares ETF*
- Vanguard FTSE Emerging Markets Shares ETF*
- Vanguard International Property Securities Index Fund
- Vanguard Global Value Equity Fund*
- Vanguard Global Infrastructure Index Fund*
- Vanguard Global Multi-Factor Fund*
- Vanguard International Shares Index Fund*
- Vanguard International Small Companies Index Fund*

referred to collectively as Vanguard Wholesale International Equities Funds (Unhedged) & ETFs.

*denotes listed Funds

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Vanguard Wholesale International Equities Funds (Unhedged) & ETFs (the Funds) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Funds' financial positions as at 30 June 2019 and of its financial performance for the period then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheets as at 30 June 2019
- the statements of comprehensive income for the period then ended
- the statements of changes in equity for the period then ended
- the statements of cash flows for the period then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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Other than for the following fund, the reporting period is the year from 1 July 2018 to 30 June 2019. The reporting period for the following fund is from the date of registration to 30 June 2019.

Fund	Date of registration
Vanguard Global Multi-Factor Fund	3 January 2019

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Funds, their accounting processes and controls and the industry in which they operate.

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Materiality

- For the purpose of our audit, we used approximately 1% of each Fund's net assets to set our overall materiality for each Fund.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is the metric against which the performance of the Funds are most commonly measured and is a generally accepted benchmark in the fund industry.
- We utilised 1% as the threshold based on our professional judgement, noting that it is within the range of commonly acceptable net asset related thresholds in the industry.

Audit Scope

- Our audit focused on where the Funds made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit approach reflects the nature of the investments held by the Funds and the consideration of the work undertaken by third party service providers. The key service provider relevant to our audit is the administrator and custodian, who maintains the accounting records of the Funds and provides custodian services for the investments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	*How our audit addressed the key audit matter*
Investments in financial assets and financial liabilities *Refer to note 2 (Summary of significant accounting policies) and note 4 (Fair value measurement)* At 30 June 2019, investments in financial assets and financial liabilities comprised primarily of investments in listed equity securities, listed unit trusts, listed property trusts and derivatives. Investments in financial assets and financial liabilities was a key audit matter because investments represent the principal element of the balance sheet. A discrepancy in the valuation or existence of investments could cause the net asset value to be materially misstated which would also impact the Funds' reported performance as the valuation of investments is the main driver of movements in the profit of the Funds.	To assess the design and operating effectiveness of the service providers' relevant controls, we: • inspected the most recent reports provided to Vanguard Investments Australia Ltd (the Responsible Entity) by the service providers setting out the controls in place at that service provider, and that included an independent audit opinion over the design and operating effectiveness of those controls. • developed an understanding of the control objectives and associated control activities, and evaluated the results of the tests undertaken and the conclusions formed by the auditor on the design and operating effectiveness of controls, to the extent relevant to our audit of the Funds.

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Key audit matter	How our audit addressed the key audit matter
	We obtained an independent audit report from the third party service provider's auditors on the valuation and existence of the Funds' investments as at balance date. We compared the number and value of the investments at 30 June 2019 as recorded in the Funds' financial report and underlying accounting records to this report.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the period ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity of the Funds are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf, for the listed funds and http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf, for the unlisted funds. These descriptions form part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Britt Hawkins
Partner

Melbourne
3 September 2019

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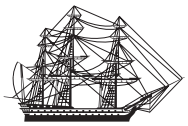

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