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Annual Report

for the Vanguard® Exchange Traded Funds

15 September 2023

Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard Australian Corporate Fixed Interest Index ETF	VACF	Annual Report
Vanguard Australian Fixed Interest Index ETF	VAF	Annual Report
Vanguard Australian Government Bond Index ETF	VGB	Annual Report
Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF	VEFI	Annual Report
Vanguard Global Aggregate Bond Index (Hedged) ETF	VBND	Annual Report
Vanguard International Credit Securities Index (Hedged) ETF	VCF	Annual Report
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	Annual Report

Vanguard has prepared an Annual report for the year ended 30 June 2023, for the Vanguard Wholesale Fixed Income Funds and ETFs. The ETFs above are classes of units in the relevant funds. Units in the ETF class are those that are traded on the Australian Securities Exchange (ASX).

The Annual report provides financial information for each fund and where indicated, provides specific information for the ETF class.

Further Information

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

Past performance information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. In preparing the information, individual circumstances, for example tax implications, have not been taken into account and it may, therefore, not be applicable to an individual's situation. Before making an investment decision, you should consider your circumstances and whether the above information is applicable to your situation.

© 2023 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) ("Vanguard") is the issuer of the Vanguard® Australian ETFs.

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

Investors should consider the Prospectus or Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Prospectus or PDS for informational purposes. A copy of the Target Market Determinations (TMD) for Vanguard's financial products can be obtained at vanguard.com.au free of charge and include a description of who the financial product is appropriate for. You should refer to the TMD of these Fund before making any investment decisions. You can access our disclosure documents at vanguard.com.au or by calling 1300 655 101. This publication was prepared in good faith and we accept no liability for any errors or omissions.

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Annual report | 30 June 2023

Vanguard Wholesale Fixed Income Funds and ETFs

Responsible Entity

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Vanguard Wholesale Fixed Income Funds and ETFs

Fund	ASX	ARSN	ABN
Vanguard Australian Inflation-Linked Bond Index Fund	-	147 936 249	69 769 407 563
Vanguard Short Term Fixed Interest Fund	-	090 940 060	19 638 293 529
Vanguard Cash Reserve Fund	-	127 015 301	62 738 136 510
Vanguard Australian Corporate Fixed Interest Index Fund	VACF	147 938 001	51 978 865 366
Vanguard Australian Fixed Interest Index Fund	VAF	090 939 941	52 931 145 473
Vanguard Australian Government Bond Index Fund	VGB	134 177 807	23 499 844 319
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	VEFI	618 349 090	40 120 502 284
Vanguard Global Aggregate Bond Index Fund (Hedged)	VBND	618 350 539	14 933 513 845
Vanguard International Credit Securities Index Fund (Hedged)	VCF	095 366 055	15 118 646 737
Vanguard International Fixed Interest Index Fund (Hedged)	VIF	090 940 337	59 108 266 812

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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 over AUD \$12 trillion in assets under management globally as of 30 June 2023, including over AUD \$3.4 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 over 25 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 45+ 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.

Directors' report

The Responsible Entity of the Vanguard Wholesale Fixed Income Funds and ETFs (the "Funds") for the year ended 30 June 2023 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 2023.

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 (with the exception of Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund) seek to track the returns of the Funds' respective indices, before taking into account fees, expenses and tax. Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund are actively managed and do not track or replicate the performance of the benchmark.

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

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:

Daniel Shrimski

John Bendl

Curt Jacques

Kim Petersen

Review and results of operations

The Funds invest in fixed interest securities, money market securities, derivatives and cash and cash equivalents. The investment policy of the Funds continues to be in accordance with the provisions of the Funds' Constitution.

Results

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

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	26,076	(87,606)
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	1,414	11,019	6,005	627	18,373	329	2,368	3,255
Distribution (cents per unit)	0.4188	1.5684	2.3282	0.0644	2.9975	0.0538	0.9227	1.2925
Distributions - ETF Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	5,692	8,121
Distribution (cents per unit)	-	-	-	-	-	-	46.0975	65.2486

Directors' report (continued)

Review and results of operations (continued)

Results (continued)

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	73,533	(914,200)	4,443	(142,849)	18,011	(204,739)
Distributions - Wholesale Class						
Distribution paid and payable (\$'000)	49,010	111,436	5,237	4,397	-	-
Distribution (cents per unit)	0.9092	1.7014	0.8326	0.6833	-	-
Distributions - ETF Class						
Distribution paid and payable (\$'000)	14,287	20,734	8,044	3,725	1,356	828
Distribution (cents per unit)	41.2239	74.3383	39.7284	34.6095	77.2169	49.8650
Distributions - AUD Hedged Class						
Distribution paid and payable (\$'000)	-	-	-	-	1,215	8,357
Distribution (cents per unit)	-	-	-	-	1.3636	5.8000
Distributions - NZD Hedged Class						
Distribution paid and payable (\$'000)	-	-	-	-	17,779	13,703
Distribution (cents per unit)	-	-	-	-	1.3637	0.9539

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	(154,057)	(882,121)	(3,405)	(79,281)	(42,444)	(185,598)
Distributions - Wholesale Class						
Distribution paid and payable (\$'000)	123,448	98,245	8,174	8,912	15,242	18,612
Distribution (cents per unit)	1.4597	1.2448	2.2100	2.2680	1.1702	1.4434
Distributions - ETF Class						
Distribution paid and payable (\$'000)	11,822	6,319	4,110	4,348	9,222	9,677
Distribution (cents per unit)	70.7388	61.8407	89.8520	90.5615	47.4446	63.4527

Performance

The tables below detail 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 the past five years to 30 June 2023 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.

	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Australian Inflation-Linked Bond Index Fund					
Capital growth	5.36	(12.61)	1.76	1.17	7.26
Distribution of income	0.39	1.13	3.31	1.21	1.42
Total return	5.75	(11.48)	5.07	2.38	8.68
Benchmark					
<i>Bloomberg AusBond Inflation Treasury 1+ Yr Index</i>	5.94	(11.14)	5.35	2.59	9.02

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Short Term Fixed Interest Fund					
Capital growth	0.59	(0.94)	(0.34)	(0.12)	0.32
Distribution of income	2.34	0.06	0.59	1.41	2.25
Total return	2.93	(0.88)	0.25	1.29	2.57
Benchmark					
<i>Bloomberg AusBond Bank Bill Index</i>	2.89	0.10	0.06	0.85	1.97
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Cash Reserve Fund					
Capital growth	(0.08)	(0.09)	(0.04)	(0.14)	(0.04)
Distribution of income	3.03	0.05	-	0.94	1.97
Total return	2.95	(0.04)	(0.04)	0.80	1.93
Benchmark					
<i>Bloomberg AusBond Bank Bill Index</i>	2.89	0.10	0.06	0.85	1.97
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Australian Corporate Fixed Interest Index Fund - Wholesale Class					
Capital growth	2.24	(10.24)	0.39	(0.01)	4.89
Distribution of income	0.94	1.11	1.85	3.24	2.87
Total return	3.18	(9.13)	2.24	3.23	7.76
Benchmark					
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	3.32	(8.89)	2.52	3.75	8.08
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Australian Corporate Fixed Interest Index Fund - ETF Class					
Capital growth	2.26	(10.25)	0.43	0.18	4.98
Distribution of income	0.97	1.15	1.84	3.08	2.81
Total return	3.23	(9.10)	2.27	3.26	7.79
Benchmark					
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	3.32	(8.89)	2.52	3.75	8.08
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Australian Fixed Interest Index Fund - Wholesale Class					
Capital growth	0.19	(12.05)	(3.64)	0.74	6.54
Distribution of income	0.90	1.35	2.58	3.19	2.82
Total return	1.09	(10.70)	(1.06)	3.93	9.36
Benchmark					
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	1.24	(10.51)	(0.84)	4.18	9.57
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Australian Fixed Interest Index Fund - ETF Class					
Capital growth	0.21	(12.00)	(3.64)	0.86	6.57
Distribution of income	0.93	1.35	2.62	3.11	2.83
Total return	1.14	(10.65)	(1.02)	3.97	9.40
Benchmark					
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	1.24	(10.51)	(0.84)	4.18	9.57

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Australian Government Bond Index Fund - Wholesale Class					
Capital growth	(0.21)	(11.74)	(4.51)	0.26	7.83
Distribution of income	0.88	0.58	2.93	3.89	2.15
Total return	0.67	(11.16)	(1.58)	4.15	9.98
Benchmark					
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	0.88	(10.95)	(1.37)	4.33	10.24
	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Australian Government Bond Index Fund - ETF Class					
Capital growth	(0.16)	(11.74)	(3.82)	1.27	7.86
Distribution of income	0.88	0.61	2.28	2.91	2.21
Total return	0.72	(11.13)	(1.54)	4.18	10.07
Benchmark					
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	0.88	(10.95)	(1.37)	4.33	10.24
	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - ETF Class					
Capital growth	(3.99)	(11.40)	(9.76)	3.36	5.45
Distribution of income	1.78	0.95	9.18	2.05	1.55
Total return	(2.21)	(10.45)	(0.58)	5.41	7.00
Benchmark					
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index in AUD</i>	(1.99)	(10.42)	(0.37)	5.64	7.13
	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - AUD Hedged Class					
Capital growth	(3.85)	(16.18)	(10.39)	3.63	6.20
Distribution of income	1.66	5.73	9.80	1.76	1.12
Total return	(2.19)	(10.45)	(0.59)	5.39	7.32
Benchmark					
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index in AUD</i>	(1.99)	(10.42)	(0.37)	5.64	7.42
	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - NZD Hedged Class					
Capital growth	(3.16)	(11.03)	(10.51)	3.73	2.36
Distribution of income	1.76	1.03	10.05	2.01	4.68
Total return	(1.40)	(10.00)	(0.46)	5.74	7.04
Benchmark					
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index in NZD</i>	(1.11)	(9.95)	(0.19)	6.16	7.27
	2023 %	2022 %	2021 %	2020 %	2019 %
Vanguard Global Aggregate Bond Index Fund (Hedged) - Wholesale Class					
Capital growth	(3.81)	(12.01)	(10.84)	2.76	5.44
Distribution of income	1.74	1.21	10.57	2.31	1.96
Total return	(2.07)	(10.80)	(0.27)	5.07	7.40
Benchmark					
<i>Bloomberg Global Aggregate Float-Adjusted and Scaled Index in AUD</i>	(1.83)	(10.75)	(0.10)	5.60	7.50

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard Global Aggregate Bond Index Fund (Hedged) - ETF Class					
Capital growth	(3.72)	(11.94)	(10.53)	3.05	5.12
Distribution of income	1.68	1.20	10.30	2.06	2.32
Total return	(2.04)	(10.74)	(0.23)	5.11	7.44
Benchmark					
<i>Bloomberg Global Aggregate Float-Adjusted and Scaled Index in AUD</i>	(1.83)	(10.75)	(0.10)	5.60	7.50
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard International Credit Securities Index Fund (Hedged) - Wholesale Class					
Capital growth	(3.18)	(14.64)	(10.83)	2.43	5.67
Distribution of income	2.39	1.92	12.69	2.36	2.53
Total return	(0.79)	(12.72)	1.86	4.79	8.20
Benchmark					
<i>Bloomberg Global Aggregate Corporate and Government-Related Scaled Index in AUD</i>	(0.52)	(12.66)	2.08	5.25	8.39
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard International Credit Securities Index Fund (Hedged) - ETF Class					
Capital growth	(3.11)	(14.55)	(10.67)	2.36	5.88
Distribution of income	2.36	1.85	12.52	2.45	2.34
Total return	(0.75)	(12.70)	1.85	4.81	8.22
Benchmark					
<i>Bloomberg Global Aggregate Corporate and Government-Related Scaled Index in AUD</i>	(0.52)	(12.66)	2.08	5.25	8.39
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard International Fixed Interest Index Fund (Hedged) - Wholesale Class					
Capital growth	(3.55)	(10.35)	(12.79)	0.23	4.20
Distribution of income	1.23	1.30	11.06	4.85	2.59
Total return	(2.32)	(9.05)	(1.73)	5.08	6.79
Benchmark					
<i>Bloomberg Global Treasury Scaled Index hedged into AUD</i>	(2.06)	(8.97)	(1.51)	5.35	7.00
<hr/>					
	2023 %	2022 %	2021 %	2020 %	2019 %
<hr/>					
Vanguard International Fixed Interest Index Fund (Hedged) - ETF Class					
Capital growth	(3.47)	(10.38)	(12.60)	1.47	4.29
Distribution of income	1.21	1.38	10.93	3.67	2.57
Total return	(2.26)	(9.00)	(1.67)	5.14	6.86
Benchmark					
<i>Bloomberg Global Treasury Scaled Index hedged into AUD</i>	(2.06)	(8.97)	(1.51)	5.35	7.00

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

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	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Vanguard Australian Inflation-Linked Bond Index Fund	1.1468	1.0845	1.1870	1.2871	1.0438	1.0374
Vanguard Short Term Fixed Interest Fund	1.0149	1.0068	1.0180	1.0170	1.0066	1.0035
Vanguard Cash Reserve Fund	1.0044	1.0018	1.0051	1.0025	1.0010	1.0011
Vanguard Australian Corporate Fixed Interest Index Fund - Wholesale Class	1.0053	0.9800	1.0238	1.1050	0.9677	0.9615
Vanguard Australian Corporate Fixed Interest Index Fund - ETF Class	48.8426	47.6092	49.7423	53.6894	47.0096	46.7125
Vanguard Australian Fixed Interest Index Fund - Wholesale Class	1.0222	1.0169	1.0618	1.1825	0.9946	0.9883
Vanguard Australian Fixed Interest Index Fund - ETF Class	44.4755	44.2568	46.1933	51.4294	43.2664	43.0051
Vanguard Australian Government Bond Index Fund - Wholesale Class	0.9508	0.9445	0.9921	1.0967	0.9236	0.9158
Vanguard Australian Government Bond Index Fund - ETF Class	45.6718	45.3475	47.6476	52.6570	44.3509	43.9710
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - ETF Class	42.1572	43.7238	44.8706	49.9269	40.6984	42.7416
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - AUD Hedged Class	0.7991	0.8578	0.8502	1.0000	0.7712	0.8386
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - NZD Hedged Class*	0.8237	0.8479	0.8696	0.9633	0.7900	0.8285
Vanguard Global Aggregate Bond Index Fund (Hedged) - Wholesale Class	0.8211	0.8513	0.8731	0.9776	0.7904	0.8325
Vanguard Global Aggregate Bond Index Fund (Hedged) - ETF Class	41.2017	42.7274	43.8384	49.0507	39.6940	41.7879
Vanguard International Credit Securities Index Fund (Hedged) - Wholesale Class	0.9081	0.9375	0.9629	1.1057	0.8670	0.9214
Vanguard International Credit Securities Index Fund (Hedged) - ETF Class	37.6441	38.8422	39.9042	45.7724	35.9300	38.1762
Vanguard International Fixed Interest Index Fund (Hedged) - Wholesale Class	0.9327	0.9702	0.9872	1.0917	0.9065	0.9494
Vanguard International Fixed Interest Index Fund (Hedged) - ETF Class	38.4559	40.0118	40.6744	44.9982	37.3571	39.1734

* All unit prices are expressed in New Zealand dollars.

Significant changes in state of affairs

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds' investments and fund performance.

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 2023 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.

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.

Directors' report (continued)

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 16 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 16 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 10 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 *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191*, unless otherwise indicated.

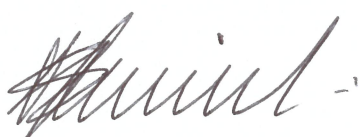
Additional disclosure

The relief available in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* has been applied in the directors' report and the financial report, combining information related to multiple Funds. In accordance with that, information related to each included Fund has been readily identified and amounts for each included Fund is presented in the adjacent columns in this report.

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 9.

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



Daniel Shrimski
Managing Director, Vanguard Investments Australia Ltd
Melbourne
13 September 2023



Auditor's Independence Declaration

- Vanguard Short Term Fixed Interest Fund
- Vanguard Cash Reserve Fund
- Vanguard Australian Corporate Fixed Interest Index Fund*
- Vanguard Australian Fixed Interest Index Fund*
- Vanguard Australian Government Bond Index Fund*
- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)*
- Vanguard Global Aggregate Bond Index Fund (Hedged)*
- Vanguard International Credit Securities Index Fund (Hedged)*
- Vanguard International Fixed Interest Index Fund (Hedged)*

referred to collectively as the Vanguard Wholesale Fixed Income Funds and ETFs.

*denotes listed Funds

As lead auditor for the audit of the Vanguard Wholesale Fixed Income Funds and ETFs for the year ended 30 June 2023, 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.

A handwritten signature in black ink, appearing to read 'Adrian Gut'.

Adrian Gut
Partner
PricewaterhouseCoopers

Melbourne
13 September 2023

Statements of comprehensive income

For the year ended 30 June 2023

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income									
Interest income		18	-	19	-	98	-	59	-
Net gains/(losses) on financial instruments at fair value through profit or loss	6	21,011	(77,926)	8,161	(7,007)	18,692	710	27,683	(85,653)
Other operating income		5	-	-	-	13	1	171	142
Total net investment income/(loss)		21,034	(77,926)	8,180	(7,007)	18,803	711	27,913	(85,511)
Expenses									
Responsible Entity's fees	17	1,111	2,250	506	1,567	919	2,116	1,820	2,033
Custody fees		5	9	8	13	12	19	12	31
Transaction costs		-	-	1	5	3	7	5	5
Other operating expenses		-	1	-	2	-	2	-	26
Total operating expenses		1,116	2,260	515	1,587	934	2,144	1,837	2,095
Operating profit/(loss)		19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	26,076	(87,606)
Finance costs attributable to unitholders									
Distributions to unitholders	11	-	-	-	-	-	-	(8,060)	(11,376)
(Increase)/decrease in net assets attributable to unitholders	10	-	-	-	-	-	-	(18,016)	98,982
Profit/(loss) for the year		19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	-	-

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

Statements of comprehensive income (continued)

For the year ended 30 June 2023

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Interest income		185	-	94	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	6	85,935	(897,280)	7,118	(140,236)	22,731	(200,868)
Other operating income		114	196	241	58	181	498
Total net investment income/(loss)		86,234	(897,084)	7,453	(140,178)	22,912	(200,370)
Expenses							
Responsible Entity's fees	17	12,670	17,074	2,991	2,653	3,481	3,936
Custody fees		19	34	19	16	104	124
Transaction costs		3	8	-	1	10	13
Withholding tax expense		-	-	-	-	127	185
Other operating expenses		9	-	-	1	1,179	111
Total operating expenses		12,701	17,116	3,010	2,671	4,901	4,369
Operating profit/(loss)		73,533	(914,200)	4,443	(142,849)	18,011	(204,739)
Finance costs attributable to unitholders							
Distributions to unitholders	11	(63,297)	(132,170)	(13,281)	(8,122)	(20,350)	(22,888)
(Increase)/decrease in net assets attributable to unitholders	10	(10,236)	1,046,370	8,838	150,971	2,339	227,627
Profit/(loss) for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-

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

Statements of comprehensive income (continued)

For the year ended 30 June 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Net gains/(losses) on financial instruments at fair value through profit or loss	6	(134,598)	(862,177)	(1,771)	(77,166)	(37,563)	(180,179)
Other operating income		447	216	68	64	180	102
Total net investment income/(loss)		(134,151)	(861,961)	(1,703)	(77,102)	(37,383)	(180,077)
Expenses							
Responsible Entity's fees	17	17,919	18,462	1,610	2,055	4,525	5,043
Custody fees		91	135	70	85	48	62
Transaction costs		10	15	2	3	2	3
Withholding tax expense		926	951	-	16	182	296
Other operating expenses		960	597	20	20	304	117
Total operating expenses		19,906	20,160	1,702	2,179	5,061	5,521
Operating profit/(loss)		(154,057)	(882,121)	(3,405)	(79,281)	(42,444)	(185,598)
Finance costs attributable to unitholders							
Distributions to unitholders	11	(135,270)	(104,564)	(12,284)	(13,260)	(24,464)	(28,289)
(Increase)/decrease in net assets attributable to unitholders	10	289,327	986,685	15,689	92,541	66,908	213,887
Profit/(loss) for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-

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

Balance sheets

As at 30 June 2023

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	12	1,645	505	2	22	2	27	964	2,131
Margin accounts		8	8	30	42	420	139	154	276
Receivables		1,132	33	164	117	2,447	45	317	287
Due from brokers - receivable for securities sold		350	1,440	-	-	-	-	9,218	2,914
Financial assets at fair value through profit or loss	7	385,630	388,178	240,269	287,760	627,746	602,394	852,585	858,160
Total assets		388,765	390,164	240,465	287,941	630,615	602,605	863,238	863,768
Liabilities									
Margin accounts		-	-	-	-	324	-	-	-
Distribution payable	11	1,414	-	504	-	2,242	133	3,417	602
Payables		106	177	354	389	5,712	969	5,515	280
Due to brokers - payable for securities purchased		2,292	1,722	-	-	-	-	1,561	4,755
Financial liabilities at fair value through profit or loss	8	-	-	-	-	-	-	7	-
Total liabilities		3,812	1,899	858	389	8,278	1,102	10,500	5,637
Net assets attributable to unitholders (equity)	10	384,953	388,265	239,607	287,552	622,337	601,503	-	-
Net assets attributable to unitholders (liability)	10	-	-	-	-	-	-	852,738	858,131

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents	12	413	15,312	3,957	3,159	10,106	11,306
Margin accounts		2,984	641	670	182	1,189	19,245
Receivables		17,378	21,114	1,668	3,717	1,069	307
Accrued income		-	-	-	-	-	11
Due from brokers - receivable for securities sold		31,772	138,232	11,243	32,392	10,008	52,523
Financial assets at fair value through profit or loss	7	7,287,283	6,965,808	1,536,657	1,243,267	830,392	1,362,326
Total assets		7,339,830	7,141,107	1,554,195	1,282,717	852,764	1,445,718
Liabilities							
Margin accounts		2,504	-	621	284	5,526	21,239
Distribution payable	11	19,520	-	13,281	-	5,928	7,287
Payables		7,218	67,734	902	624	357	423
Due to brokers - payable for securities purchased		47,275	105,728	7,648	37,569	10,829	2,668
Financial liabilities at fair value through profit or loss	8	107,430	99,710	26,010	20,454	27,615	143,713
Total liabilities		183,947	273,172	48,462	58,931	50,255	175,330
Net assets attributable to unitholders (liability)	10	7,155,883	6,867,935	1,505,733	1,223,786	802,509	1,270,388

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

Balance sheets (continued)

As at 30 June 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents	12	86,657	100,201	4,737	5,336	20,467	8,401
Margin accounts		32,956	2,016	373	1,077	12,899	357
Receivables		5,200	2,234	465	4,715	3,571	994
Accrued income		-	-	-	1	-	-
Due from brokers - receivable for securities sold		112,348	259,605	5,857	9,668	17,580	43,262
Financial assets at fair value through profit or loss	7	8,041,477	7,385,957	516,066	523,344	2,156,634	1,870,811
Total assets		8,278,638	7,750,013	527,498	544,141	2,211,151	1,923,825
Liabilities							
Margin accounts		112,606	27,153	400	910	23,810	2,441
Distribution payable	11	47,142	32,819	3,962	3,763	9,012	14,830
Payables		5,946	103,429	4,560	162	2,590	4,380
Due to brokers - payable for securities purchased		248,616	22,927	8,174	1,682	76,321	4,976
Financial liabilities at fair value through profit or loss	8	96,981	365,006	5,971	25,565	24,630	88,016
Total liabilities		511,291	551,334	23,067	32,082	136,363	114,643
Net assets attributable to unitholders (liability)	10	7,767,347	7,198,679	504,431	512,059	2,074,788	1,809,182

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

Statements of changes in equity

For the year ended 30 June 2023

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		388,265	897,897	287,552	580,635	601,503	1,602,302	-	-
Comprehensive income for the year									
Profit/(loss) for the year		19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income for the year		19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	-	-
Transactions with unitholders									
Applications		65,503	120,397	75,440	664,036	151,160	157,240	-	-
Redemptions		(87,319)	(556,743)	(125,670)	(948,939)	(141,909)	(1,156,427)	-	-
Units issued upon reinvestment of distributions		-	17,919	625	1,041	12,087	150	-	-
Distributions paid and payable	11	(1,414)	(11,019)	(6,005)	(627)	(18,373)	(329)	-	-
Total transactions with unitholders		(23,230)	(429,446)	(55,610)	(284,489)	2,965	(999,366)	-	-
Total equity at the end of the financial year	10	384,953	388,265	239,607	287,552	622,337	601,503	-	-

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-
Comprehensive income for the year							
Profit/(loss) for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-
Transactions with unitholders							
Applications		-	-	-	-	-	-
Redemptions		-	-	-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-	-	-
Distributions paid and payable	11	-	-	-	-	-	-
Total transactions with unitholders		-	-	-	-	-	-
Total equity at the end of the financial year	10	-	-	-	-	-	-

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

Statements of changes in equity (continued)

For the year ended 30 June 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		-	-	-	-	-	-
Comprehensive income for the year							
Profit/(loss) for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-
Transactions with unitholders							
Applications		-	-	-	-	-	-
Redemptions		-	-	-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-	-	-
Distributions paid and payable	11	-	-	-	-	-	-
Total transactions with unitholders		-	-	-	-	-	-
Total equity at the end of the financial year	10	-	-	-	-	-	-

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

Statements of cash flows

For the year ended 30 June 2023

	Notes	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		85,906	626,641	596,324	2,238,514	2,305,619	5,268,328	292,102	230,681
Purchases of financial instruments at fair value through profit or loss		(60,687)	(179,882)	(540,660)	(1,955,763)	(2,312,236)	(4,411,322)	(268,213)	(349,864)
Transaction costs on purchases of financial instruments at fair value through profit or loss		-	-	(1)	(5)	(3)	(7)	(5)	(5)
Interest received		18	-	19	-	98	-	59	-
Other income received		17	18	-	-	29	11	171	168
Responsible Entity's fees paid		(1,111)	(2,361)	(514)	(1,615)	(918)	(2,234)	(1,820)	(2,062)
Operating expenses paid		(5)	(10)	(8)	(17)	(48)	(21)	(16)	(70)
Net cash inflow/(outflow) from operating activities	13(a)	24,138	444,406	55,160	281,114	(7,459)	854,755	22,278	(121,152)
Cash flows from financing activities									
Proceeds from applications by unitholders		64,392	120,592	75,393	664,768	148,778	177,844	150,383	225,231
Payments for redemptions by unitholders		(87,390)	(556,669)	(125,697)	(948,990)	(137,167)	(1,159,698)	(168,750)	(89,497)
Distributions paid from operating activities		-	(8,229)	(4,876)	(721)	(4,177)	(46)	(5,078)	(13,894)
Net cash inflow/(outflow) from financing activities		(22,998)	(444,306)	(55,180)	(284,943)	7,434	(981,900)	(23,445)	121,840
Net increase/(decrease) in cash and cash equivalents		1,140	100	(20)	(3,829)	(25)	(127,145)	(1,167)	688
Cash and cash equivalents at the beginning of the year		505	405	22	3,851	27	127,172	2,131	1,443
Cash and cash equivalents at the end of the year	12	1,645	505	2	22	2	27	964	2,131
Non-cash financing activities	13(b)	-	17,919	625	1,041	12,087	150	167	525

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

Statements of cash flows (continued)

For the year ended 30 June 2023

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		1,461,975	3,432,595	365,771	273,213	1,394,905	1,452,062
Purchases of financial instruments at fair value through profit or loss		(1,641,627)	(1,875,626)	(655,410)	(438,145)	(902,978)	(1,789,355)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(3)	(8)	-	(1)	(10)	(13)
Interest received		185	-	94	-	11	-
Other income received		174	321	241	58	181	498
Responsible Entity's fees paid		(12,697)	(17,841)	(2,938)	(2,649)	(3,607)	(3,869)
Operating expenses paid		(19)	(34)	(29)	(18)	(1,435)	(253)
Net cash inflow/(outflow) from operating activities	13(a)	(192,012)	1,539,407	(292,271)	(167,542)	487,067	(340,930)
Cash flows from financing activities							
Proceeds from applications by unitholders		1,017,476	1,853,153	530,084	446,222	287,834	810,008
Payments for redemptions by unitholders		(819,275)	(3,331,511)	(236,984)	(266,480)	(772,028)	(476,694)
Distributions paid from operating activities		(21,088)	(90,774)	(31)	(9,934)	(3,732)	(6,983)
Net cash inflow/(outflow) from financing activities		177,113	(1,569,132)	293,069	169,808	(487,926)	326,331
Net increase/(decrease) in cash and cash equivalents		(14,899)	(29,725)	798	2,266	(859)	(14,599)
Cash and cash equivalents at the beginning of the year		15,312	45,037	3,159	893	11,306	44,748
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	-	-	(341)	(18,843)
Cash and cash equivalents at the end of the year	12	413	15,312	3,957	3,159	10,106	11,306
Non-cash financing activities	13(b)	22,689	113,422	-	4,714	17,977	15,327

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

Statements of cash flows (continued)

For the year ended 30 June 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		3,137,222	6,718,258	258,068	550,813	610,110	1,192,326
Purchases of financial instruments at fair value through profit or loss		(3,775,547)	(7,872,443)	(263,476)	(283,326)	(882,938)	(923,347)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(10)	(15)	(2)	(3)	(2)	(3)
Interest received		-	-	1	-	-	-
Other income received		649	216	68	771	180	130
Responsible Entity's fees paid		(17,839)	(18,408)	(1,609)	(2,147)	(4,484)	(5,151)
Operating expenses paid		(2,076)	(775)	(81)	(775)	(457)	(494)
Net cash inflow/(outflow) from operating activities	13(a)	(657,601)	(1,173,167)	(7,031)	265,333	(277,591)	263,461
Cash flows from financing activities							
Proceeds from applications by unitholders		1,060,626	2,248,188	103,521	97,426	636,408	522,363
Payments for redemptions by unitholders		(415,316)	(1,236,671)	(90,256)	(358,398)	(315,585)	(764,744)
Distributions paid from operating activities		(8,894)	(7,531)	(8,651)	(13,659)	(23,076)	(18,396)
Net cash inflow/(outflow) from financing activities		636,416	1,003,986	4,614	(274,631)	297,747	(260,777)
Net increase/(decrease) in cash and cash equivalents		(21,185)	(169,181)	(2,417)	(9,298)	20,156	2,684
Cash and cash equivalents at the beginning of the year		100,201	276,306	5,336	11,779	8,401	21,053
Effects of foreign currency exchange rate changes on cash and cash equivalents		7,641	(6,924)	1,818	2,855	(8,090)	(15,336)
Cash and cash equivalents at the end of the year	12	86,657	100,201	4,737	5,336	20,467	8,401
Non-cash financing activities	13(b)	112,053	103,813	3,434	5,997	7,206	4,896

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

Notes to the financial statements

For the year ended 30 June 2023

1 General information

These financial statements cover the Vanguard Wholesale Fixed Income Funds and ETFs (the “Funds”) as registered managed investment schemes. The respective constitution dates are as follows:

- Vanguard Australian Inflation-Linked Bond Index Fund 17 December 2010
- Vanguard Short Term Fixed Interest Fund 21 July 1998
- Vanguard Cash Reserve Fund 9 August 2007
- Vanguard Australian Corporate Fixed Interest Index Fund 17 December 2010
- Vanguard Australian Fixed Interest Index Fund 6 December 1996
- Vanguard Australian Government Bond Index Fund 14 November 2008
- Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) 28 March 2017
- Vanguard Global Aggregate Bond Index Fund (Hedged) 28 March 2017
- Vanguard International Credit Securities Index Fund (Hedged) 11 December 2000
- Vanguard International Fixed Interest Index Fund (Hedged) 18 May 1999

The Responsible Entity of the Vanguard Wholesale Fixed Income Funds and ETFs is Vanguard Investments Australia Ltd (the “Responsible Entity”). The Responsible Entity’s registered office is Level 13, 130 Lonsdale Street, Melbourne VIC 3000.

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 (with the exception of Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund) seek to track the returns of the Funds’ respective indices, before taking into account fees, expenses and tax. Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve Fund are actively managed and do not track or replicate the performance of the benchmark.

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 13 September 2023. 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 12 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 12 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.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 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 July 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023, 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.

Fixed interest securities, money market securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

(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.

(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. Realised gains and losses on investments transactions and unrealised gain or loss of investments are both computed on weighted average cost basis.

For further details on how the fair value of the financial instruments is determined are disclosed in note 5.

(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. Refer to note 4 to the financial statements for further information.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unitholders (continued)

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the units 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
- apart from the contractual obligation to redeem the units, 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 unfavourable 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.

(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. Bank overdrafts are shown as a liability in the balance sheet.

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.

(e) Margin accounts

Margin accounts comprise of cash held with brokers for derivative transactions to meet margin calls. It is not included as a component of cash and cash equivalents.

(f) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

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 Funds' 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, the Funds are not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders. The Funds may incur withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(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.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

2 Summary of significant accounting policies (continued)

(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.

(s) Consolidation

The Funds meet the criteria for the investment entity exception and as such, do not prepare consolidated financial statements. Instead, the Funds investments are accounted for at fair value as disclosed in note 2(b). Further, the Funds do not control any entities where they have investments.

(t) Operating segments

The Funds with ETF class units are within the scope of AASB 8: *Operating Segments* as they satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market or filing financial statements with a regulator for the purpose of issuing any class of instruments in a public market.

(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.

3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including foreign exchange risk and interest rate 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.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Fund's investments and fund performance.

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

The Funds have exposure to foreign assets and hold 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.

In accordance with the Funds' policy, the Investment Manager monitors the Funds' foreign exchange exposure on all foreign currency denominated assets and liabilities on a daily basis. Currency positions are reconciled daily and discrepancies are immediately resolved. Procedures are established with the Investment Manager to trade currency as closely as possible to the close of the markets, so as to obtain exchange rates that closely approximate the rates used in the daily valuation.

There is no foreign exchange risk to Vanguard Australian Inflation-Linked Bond Index Fund, Vanguard Short Term Fixed Interest Fund, Vanguard Cash Reserve Fund, Vanguard Australian Corporate Fixed Interest Index Fund, Vanguard Australian Fixed Interest Index Fund and Vanguard Australian Government Bond Index Fund presented in this financial report.

The Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged), Vanguard Global Aggregate Bond Index Fund (Hedged), Vanguard International Credit Securities Index Fund (Hedged) and Vanguard International Fixed Interest Index Fund (Hedged) 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. Foreign exchange risk is minimised as the Funds are hedged to Australian dollars so the value of the Funds are relatively unaffected 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.

The tables below summarises the Funds' financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)				
	30 Jun 2023				
	British Pound	Japanese Yen	New Zealand Dollar	US Dollar	Other currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets					
Cash and cash equivalents	1,026	1,379	136	4,750	2,686
Margin accounts	36	41	231	607	169
Receivables	-	-	-	-	58
Due from brokers - receivable for securities sold	1,016	573	-	5,178	3,239
Financial assets at fair value through profit or loss	28,075	60,100	16,909	394,287	286,487
Total assets	30,153	62,093	17,276	404,822	292,639
Liabilities					
Margin accounts	-	-	230	-	-
Due to brokers - payable for securities purchased	521	923	-	5,084	3,999
Financial liabilities at fair value through profit or loss	710	40	1,729	515	5,915
Total liabilities	1,231	963	1,959	5,599	9,914
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	31,003	60,675	1,322,445	3,446,172	296,117
- Sell foreign currency	(60,908)	(126,155)	(679,067)	(3,848,436)	(586,654)
Net exposure including foreign currency forward contracts	(983)	(4,350)	658,695	(3,041)	(7,812)

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)				
	30 Jun 2022				
	Euro	Japanese	New Zealand	US	Other
	A\$'000	Yen	Dollar	Dollar	currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets					
Cash and cash equivalents	4,691	926	558	286	4,716
Margin accounts	424	75	17,468	588	211
Receivables	-	-	-	-	65
Accrued income	-	-	13	-	-
Due from brokers - receivable for securities sold	11,878	7,385	-	29,605	2,592
Financial assets at fair value through profit or loss	333,250	105,934	8,686	721,367	162,684
Total assets	350,243	114,320	26,725	751,846	170,268
Liabilities					
Margin accounts	-	-	-	-	21,239
Due to brokers - payable for securities purchased	454	-	-	1,991	223
Financial liabilities at fair value through profit or loss	1,878	361	443	140,379	181
Total liabilities	2,332	361	443	142,370	21,643
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	423,046	136,860	2,556,990	6,493,343	203,590
- Sell foreign currency	(760,680)	(251,639)	(1,400,538)	(7,112,446)	(373,096)
Net exposure including foreign currency forward contracts	10,277	(820)	1,182,734	(9,627)	(20,881)

	Vanguard Global Aggregate Bond Index Fund (Hedged)				
	30 Jun 2023				
	Canadian	Euro	Israeli New	US Dollar	Other
	Dollar		Shekel		currencies
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Assets					
Cash and cash equivalents	6,779	24,593	2,355	29,206	23,721
Margin accounts	-	249	-	484	163
Receivables	-	9	-	-	410
Due from brokers - receivable for securities sold	5,693	14,333	-	87,184	5,138
Financial assets at fair value through profit or loss	235,419	2,049,256	11,172	4,009,638	1,335,435
Total assets	247,891	2,088,440	13,527	4,126,512	1,364,867
Liabilities					
Margin accounts	-	-	-	406	-
Due to brokers - payable for securities purchased	10,213	39,485	-	154,975	43,029
Financial liabilities at fair value through profit or loss	6,692	43,572	22	8,278	14,333
Total liabilities	16,905	83,057	22	163,659	57,362
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	239,100	2,130,751	14,895	15,090,642	1,358,183
- Sell foreign currency	(477,984)	(4,197,308)	(30,178)	(18,185,168)	(2,724,400)
Net exposure including foreign currency forward contracts	(7,898)	(61,174)	(1,778)	868,327	(58,712)

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)				
	30 Jun 2022				
	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	US Dollar A\$'000	Other currencies A\$'000
Assets					
Cash and cash equivalents	8,833	16,305	5,729	50,992	17,986
Margin accounts	-	520	18	860	618
Receivables	-	-	72	-	423
Due from brokers - receivable for securities sold	22,153	53,263	44,083	124,826	8,412
Financial assets at fair value through profit or loss	207,279	1,877,376	569,584	3,886,367	699,378
Total assets	238,265	1,947,464	619,486	4,063,045	726,817
Liabilities					
Margin accounts	-	-	-	-	27,153
Due to brokers - payable for securities purchased	2,794	1,968	-	18,165	-
Financial liabilities at fair value through profit or loss	71	1,188	1,838	359,795	651
Total liabilities	2,865	3,156	1,838	377,960	27,804
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	258,092	2,190,494	720,084	15,123,883	817,353
- Sell foreign currency	(487,730)	(4,096,388)	(1,344,385)	(18,841,941)	(1,537,382)
Net exposure including foreign currency forward contracts	5,762	38,414	(6,653)	(32,973)	(21,016)

	Vanguard International Credit Securities Index Fund (Hedged)				
	30 Jun 2023				
	Euro A\$'000	Japanese Yen A\$'000	Korean Won A\$'000	US Dollar A\$'000	Other currencies A\$'000
Assets					
Cash and cash equivalents	667	368	42	2,501	827
Margin accounts	94	11	7	175	29
Receivables	-	-	-	-	11
Due from brokers - receivable for securities sold	3,304	-	-	1,251	1,048
Financial assets at fair value through profit or loss	143,111	7,941	3,460	277,953	59,512
Total assets	147,176	8,320	3,509	281,880	61,427
Liabilities					
Due to brokers - payable for securities purchased	3,121	-	-	2,886	2,167
Financial liabilities at fair value through profit or loss	3,156	5	8	128	1,553
Total liabilities	6,277	5	8	3,014	3,720
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	153,261	8,634	3,611	958,686	65,683
- Sell foreign currency	(298,456)	(17,531)	(6,367)	(1,243,243)	(125,135)
Net exposure including foreign currency forward contracts	(4,296)	(582)	745	(5,691)	(1,745)

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Vanguard International Credit Securities Index Fund (Hedged)				
	30 Jun 2022				
	Canadian Dollar A\$'000	Euro A\$'000	Japanese Yen A\$'000	US Dollar A\$'000	Other currencies A\$'000
Assets					
Cash and cash equivalents	318	470	44	387	669
Margin accounts	-	236	8	185	127
Receivables	-	-	-	-	23
Due from brokers - receivable for securities sold	1,266	3,650	-	4,395	357
Financial assets at fair value through profit or loss	32,461	138,752	10,656	299,790	31,479
Total assets	34,045	143,108	10,708	304,757	32,655
Liabilities					
Due to brokers - payable for securities purchased	279	882	-	368	153
Financial liabilities at fair value through profit or loss	13	44	1	25,481	25
Total liabilities	292	926	1	25,849	178
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	37,694	160,785	12,128	1,044,565	37,554
- Sell foreign currency	(70,576)	(300,117)	(23,054)	(1,327,380)	(69,624)
Net exposure including foreign currency forward contracts	871	2,850	(219)	(3,907)	407

	Vanguard International Fixed Interest Index Fund (Hedged)				
	30 Jun 2023				
	Euro A\$'000	Japanese Yen A\$'000	Korean Won A\$'000	US Dollar A\$'000	Other currencies A\$'000
Assets					
Cash and cash equivalents	4,714	6,528	280	2,352	6,432
Margin accounts	54	38	-	37	49
Receivables	-	-	3	-	201
Due from brokers - receivable for securities sold	1,598	-	-	15,282	700
Financial assets at fair value through profit or loss	516,451	463,445	41,534	744,312	293,105
Total assets	522,817	470,011	41,817	761,983	300,487
Liabilities					
Due to brokers - payable for securities purchased	17,225	13,499	3,701	32,626	8,716
Financial liabilities at fair value through profit or loss	10,672	296	89	1,307	6,198
Total liabilities	27,897	13,795	3,790	33,933	14,914
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	521,715	461,731	44,485	4,617,027	296,345
- Sell foreign currency	(1,032,618)	(949,366)	(84,351)	(5,339,491)	(588,983)
Net exposure including foreign currency forward contracts	(15,983)	(31,419)	(1,839)	5,586	(7,065)

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)				
	30 Jun 2022				
	Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	US Dollar A\$'000	Other currencies A\$'000
Assets					
Cash and cash equivalents	1,210	7	338	581	3,070
Margin accounts	201	79	21	11	2
Receivables	-	-	-	-	204
Due from brokers - receivable for securities sold	7,745	3,774	16,114	12,688	2,521
Financial assets at fair value through profit or loss	439,915	116,508	424,264	682,083	175,613
Total assets	449,071	120,368	440,737	695,363	181,410
Liabilities					
Margin accounts	-	-	-	31	-
Due to brokers - payable for securities purchased	-	-	-	4,976	-
Financial liabilities at fair value through profit or loss	171	8	1,317	86,187	119
Total liabilities	171	8	1,317	91,194	119
Net increase/(decrease) in exposure from foreign currency forward contracts					
- Buy foreign currency	485,302	129,239	477,610	3,900,802	153,104
- Sell foreign currency	(924,878)	(250,236)	(925,438)	(4,047,925)	(281,133)
Net exposure including foreign currency forward contracts	9,324	(637)	(8,408)	457,046	53,262

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.

(ii) Cash flow and fair value interest rate risk

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

The Funds are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk.

The Funds' interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The interest rate risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look-through basis for investments held indirectly through unit trusts. Consequently the disclosure of interest rate risk below may not represent the true interest rate risk profile of the Funds where the Funds have significant investments in unit trusts which also have exposure to the interest rate markets.

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The tables below summarise those Funds whose exposure to interest rate risk is significant:

	Vanguard Australian Inflation-Linked Bond Index Fund							
	30 Jun 2023				30 Jun 2022			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	1,645	-	-	1,645	505	-	-	505
Margin accounts	8	-	-	8	8	-	-	8
Receivables	-	-	1,132	1,132	-	-	33	33
Due from brokers - receivable for securities sold	-	-	350	350	-	-	1,440	1,440
Financial assets at fair value through profit or loss	-	385,630	-	385,630	-	388,178	-	388,178
Total assets	1,653	385,630	1,482	388,765	513	388,178	1,473	390,164
Liabilities								
Distribution payable	-	-	1,414	1,414	-	-	-	-
Payables	-	-	106	106	-	-	177	177
Due to brokers - payable for securities purchased	-	-	2,292	2,292	-	-	1,722	1,722
Total liabilities	-	-	3,812	3,812	-	-	1,899	1,899
Net assets attributable to unitholders (equity)	1,653	385,630	(2,330)	384,953	513	388,178	(426)	388,265
Net exposure	1,653	385,630	(2,330)	384,953	513	388,178	(426)	388,265

	Vanguard Short Term Fixed Interest Fund							
	30 Jun 2023				30 Jun 2022			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Assets								
Cash and cash equivalents	2	-	-	2	22	-	-	22
Margin accounts	30	-	-	30	42	-	-	42
Receivables	-	-	164	164	-	-	117	117
Financial assets at fair value through profit or loss	113,143	127,126	-	240,269	146,977	140,783	-	287,760
Total assets	113,175	127,126	164	240,465	147,041	140,783	117	287,941
Liabilities								
Distribution payable	-	-	504	504	-	-	-	-
Payables	-	-	354	354	-	-	389	389
Total liabilities	-	-	858	858	-	-	389	389
Net assets attributable to unitholders (equity)	113,175	127,126	(694)	239,607	147,041	140,783	(272)	287,552
Net increase/(decrease) in exposure from Australian money market futures	-	-	-	-	8,753	-	-	8,753
Net exposure	113,175	127,126	(694)	239,607	155,794	140,783	(272)	296,305

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Vanguard Cash Reserve Fund								
	30 Jun 2023				30 Jun 2022				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	
Assets									
Cash and cash equivalents	2	-	-	2	27	-	-	27	
Margin accounts	420	-	-	420	139	-	-	139	
Receivables	-	-	2,447	2,447	-	-	45	45	
Financial assets at fair value through profit or loss	398,045	229,701	-	627,746	391,924	210,470	-	602,394	
Total assets	398,467	229,701	2,447	630,615	392,090	210,470	45	602,605	
Liabilities									
Margin accounts	324	-	-	324	-	-	-	-	
Distribution payable	-	-	2,242	2,242	-	-	133	133	
Payables	-	-	5,712	5,712	-	-	969	969	
Total liabilities	324	-	7,954	8,278	-	-	1,102	1,102	
Net assets attributable to unitholders (equity)	398,143	229,701	(5,507)	622,337	392,090	210,470	(1,057)	601,503	
Net increase/(decrease) in exposure from Australian money market futures	(3,955)	-	-	(3,955)	63,213	-	-	63,213	
Net exposure	394,188	229,701	(5,507)	618,382	455,303	210,470	(1,057)	664,716	

	Vanguard Australian Corporate Fixed Interest Index Fund								
	30 Jun 2023				30 Jun 2022				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	
Assets									
Cash and cash equivalents	964	-	-	964	2,131	-	-	2,131	
Margin accounts	154	-	-	154	276	-	-	276	
Receivables	-	-	317	317	-	-	287	287	
Due from brokers - receivable for securities sold	-	-	9,218	9,218	-	-	2,914	2,914	
Financial assets at fair value through profit or loss	14,331	838,254	-	852,585	17,585	840,575	-	858,160	
Total assets	15,449	838,254	9,535	863,238	19,992	840,575	3,201	863,768	
Liabilities									
Distribution payable	-	-	3,417	3,417	-	-	602	602	
Payables	-	-	5,515	5,515	-	-	280	280	
Due to brokers - payable for securities purchased	-	-	1,561	1,561	-	-	4,755	4,755	
Financial liabilities at fair value through profit or loss	-	7	-	7	-	-	-	-	
Total liabilities	-	7	10,493	10,500	-	-	5,637	5,637	
Net assets attributable to unitholders (liability)	15,449	838,247	(958)	852,738	19,992	840,575	(2,436)	858,131	
Net increase/(decrease) in exposure from Australian interest rate futures	-	(4,227)	-	(4,227)	-	873	-	873	
Net exposure	15,449	834,020	(958)	848,511	19,992	841,448	(2,436)	859,004	

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Vanguard Australian Fixed Interest Index Fund									
	30 Jun 2023				30 Jun 2022				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	413	-	-	413	15,312	-	-	15,312	
Margin accounts	2,984	-	-	2,984	641	-	-	641	
Receivables	-	-	17,378	17,378	-	-	21,114	21,114	
Due from brokers - receivable for securities sold	-	-	31,772	31,772	-	-	138,232	138,232	
Financial assets at fair value through profit or loss	15,423	7,271,860	-	7,287,283	30,491	6,935,317	-	6,965,808	
Total assets	18,820	7,271,860	49,150	7,339,830	46,444	6,935,317	159,346	7,141,107	
Liabilities									
Margin accounts	2,504	-	-	2,504	-	-	-	-	
Distribution payable	-	-	19,520	19,520	-	-	-	-	
Payables	-	-	7,218	7,218	-	-	67,734	67,734	
Due to brokers - payable for securities purchased	-	-	47,275	47,275	-	-	105,728	105,728	
Financial liabilities at fair value through profit or loss	-	107,430	-	107,430	-	99,710	-	99,710	
Total liabilities	2,504	107,430	74,013	183,947	-	99,710	173,462	273,172	
Net assets attributable to unitholders (liability)	16,316	7,164,430	(24,863)	7,155,883	46,444	6,835,607	(14,116)	6,867,935	
Net exposure	16,316	7,164,430	(24,863)	7,155,883	46,444	6,835,607	(14,116)	6,867,935	

Vanguard Australian Government Bond Index Fund									
	30 Jun 2023				30 Jun 2022				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents	3,957	-	-	3,957	3,159	-	-	3,159	
Margin accounts	670	-	-	670	182	-	-	182	
Receivables	-	-	1,668	1,668	-	-	3,717	3,717	
Due from brokers - receivable for securities sold	-	-	11,243	11,243	-	-	32,392	32,392	
Financial assets at fair value through profit or loss	-	1,536,657	-	1,536,657	-	1,243,267	-	1,243,267	
Total assets	4,627	1,536,657	12,911	1,554,195	3,341	1,243,267	36,109	1,282,717	
Liabilities									
Margin accounts	621	-	-	621	284	-	-	284	
Distribution payable	-	-	13,281	13,281	-	-	-	-	
Payables	-	-	902	902	-	-	624	624	
Due to brokers - payable for securities purchased	-	-	7,648	7,648	-	-	37,569	37,569	
Financial liabilities at fair value through profit or loss	-	26,010	-	26,010	-	20,454	-	20,454	
Total liabilities	621	26,010	21,831	48,462	284	20,454	38,193	58,931	
Net assets attributable to unitholders (liability)	4,006	1,510,647	(8,920)	1,505,733	3,057	1,222,813	(2,084)	1,223,786	
Net exposure	4,006	1,510,647	(8,920)	1,505,733	3,057	1,222,813	(2,084)	1,223,786	

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)								
	30 Jun 2023				30 Jun 2022				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	
Assets									
Cash and cash equivalents	10,106	-	-	10,106	11,306	-	-	11,306	
Margin accounts	1,189	-	-	1,189	19,245	-	-	19,245	
Receivables	-	-	1,069	1,069	-	-	307	307	
Accrued income	-	-	-	-	-	-	11	11	
Due from brokers - receivable for securities sold	-	-	10,008	10,008	-	-	52,523	52,523	
Financial assets at fair value through profit or loss	34,451	760,453	35,488	830,392	40,003	1,225,660	96,663	1,362,326	
Total assets	45,746	760,453	46,565	852,764	70,554	1,225,660	149,504	1,445,718	
Liabilities									
Margin accounts	5,526	-	-	5,526	21,239	-	-	21,239	
Distribution payable	-	-	5,928	5,928	-	-	7,287	7,287	
Payables	-	-	357	357	-	-	423	423	
Due to brokers - payable for securities purchased	-	-	10,829	10,829	-	-	2,668	2,668	
Financial liabilities at fair value through profit or loss	-	232	27,383	27,615	-	6,494	137,219	143,713	
Total liabilities	5,526	232	44,497	50,255	21,239	6,494	147,597	175,330	
Net assets attributable to unitholders (liability)	40,220	760,221	2,068	802,509	49,315	1,219,166	1,907	1,270,388	
Net increase/(decrease) in exposure from Australian interest rate futures	-	(1,273)	-	(1,273)	-	3,192	-	3,192	
Net increase/(decrease) in exposure from International interest rate futures	-	17,716	-	17,716	-	24,118	-	24,118	
Net exposure	40,220	776,664	2,068	818,952	49,315	1,246,476	1,907	1,297,698	

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)								
	30 Jun 2023				30 Jun 2022				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	
Assets									
Cash and cash equivalents	86,657	-	-	86,657	100,201	-	-	100,201	
Margin accounts	32,956	-	-	32,956	2,016	-	-	2,016	
Receivables	-	-	5,200	5,200	-	-	2,234	2,234	
Due from brokers - receivable for securities sold	-	-	112,348	112,348	-	-	259,605	259,605	
Financial assets at fair value through profit or loss	292,285	7,520,530	228,662	8,041,477	251,181	6,982,591	152,185	7,385,957	
Total assets	411,898	7,520,530	346,210	8,278,638	353,398	6,982,591	414,024	7,750,013	
Liabilities									
Margin accounts	112,606	-	-	112,606	27,153	-	-	27,153	
Distribution payable	-	-	47,142	47,142	-	-	32,819	32,819	
Payables	-	-	5,946	5,946	-	-	103,429	103,429	
Due to brokers - payable for securities purchased	-	-	248,616	248,616	-	-	22,927	22,927	
Financial liabilities at fair value through profit or loss	-	6,021	90,960	96,981	-	11,921	353,085	365,006	
Total liabilities	112,606	6,021	392,664	511,291	27,153	11,921	512,260	551,334	
Net assets attributable to unitholders (liability)	299,292	7,514,509	(46,454)	7,767,347	326,245	6,970,670	(98,236)	7,198,679	
Net increase/(decrease) in exposure from International interest rate futures	-	9,157	-	9,157	-	(18,467)	-	(18,467)	
Net exposure	299,292	7,523,666	(46,454)	7,776,504	326,245	6,952,203	(98,236)	7,180,212	

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Vanguard International Credit Securities Index Fund (Hedged)								
	30 Jun 2023				30 Jun 2022				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	
Assets									
Cash and cash equivalents	4,737	-	-	4,737	5,336	-	-	5,336	
Margin accounts	373	-	-	373	1,077	-	-	1,077	
Receivables	-	-	465	465	-	-	4,715	4,715	
Accrued income	-	-	-	-	-	-	1	1	
Due from brokers - receivable for securities sold	-	-	5,857	5,857	-	-	9,668	9,668	
Financial assets at fair value through profit or loss	50,033	451,831	14,202	516,066	42,985	470,248	10,111	523,344	
Total assets	55,143	451,831	20,524	527,498	49,398	470,248	24,495	544,141	
Liabilities									
Margin accounts	400	-	-	400	910	-	-	910	
Distribution payable	-	-	3,962	3,962	-	-	3,763	3,763	
Payables	-	-	4,560	4,560	-	-	162	162	
Due to brokers - payable for securities purchased	-	-	8,174	8,174	-	-	1,682	1,682	
Financial liabilities at fair value through profit or loss	-	68	5,903	5,971	-	37	25,528	25,565	
Total liabilities	400	68	22,599	23,067	910	37	31,135	32,082	
Net assets attributable to unitholders (liability)	54,743	451,763	(2,075)	504,431	48,488	470,211	(6,640)	512,059	
Net increase/(decrease) in exposure from Australian interest rate futures	-	(576)	-	(576)	-	97	-	97	
Net increase/(decrease) in exposure from International interest rate futures	-	1,883	-	1,883	-	1,894	-	1,894	
Net exposure	54,743	453,070	(2,075)	505,738	48,488	472,202	(6,640)	514,050	

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)								
	30 Jun 2023				30 Jun 2022				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000	
Assets									
Cash and cash equivalents	20,467	-	-	20,467	8,401	-	-	8,401	
Margin accounts	12,899	-	-	12,899	357	-	-	357	
Receivables	-	-	3,571	3,571	-	-	994	994	
Due from brokers - receivable for securities sold	-	-	17,580	17,580	-	-	43,262	43,262	
Financial assets at fair value through profit or loss	-	2,083,409	73,225	2,156,634	-	1,812,033	58,778	1,870,811	
Total assets	33,366	2,083,409	94,376	2,211,151	8,758	1,812,033	103,034	1,923,825	
Liabilities									
Margin accounts	23,810	-	-	23,810	2,441	-	-	2,441	
Distribution payable	-	-	9,012	9,012	-	-	14,830	14,830	
Payables	-	-	2,590	2,590	-	-	4,380	4,380	
Due to brokers - payable for securities purchased	-	-	76,321	76,321	-	-	4,976	4,976	
Financial liabilities at fair value through profit or loss	-	-	24,630	24,630	-	-	88,016	88,016	
Total liabilities	23,810	-	112,553	136,363	2,441	-	112,202	114,643	
Net assets attributable to unitholders (liability)	9,556	2,083,409	(18,177)	2,074,788	6,317	1,812,033	(9,168)	1,809,182	
Net increase/(decrease) in exposure from International interest rate futures	-	-	-	-	-	(1,523)	-	(1,523)	
Net exposure	9,556	2,083,409	(18,177)	2,074,788	6,317	1,810,510	(9,168)	1,807,659	

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

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(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 and foreign exchange 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.

Interest rate risk reasonable possible movements are determined using the low and high Reserve Bank of Australia (RBA) cash rate during the period. Foreign exchange risk reasonable possible movements are determined using RBA foreign exchange rates for each currency published during the reporting period. The Funds have not made any changes to the methods used to determine its sensitivity to the market risk.

Impact on operating profit/(loss) and net assets attributable to unitholders											
Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund	
Interest rate risk		Interest rate risk		Interest rate risk		Interest rate risk		Interest rate risk		Interest rate risk	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
0bps	+278bps	0bps	+278bps	0bps	+278bps	0bps	+278bps	0bps	+278bps	0bps	+278bps
30 Jun 2023	- (10,766)	- (6,680)	- (6,680)	- (17,454)	- (17,454)	- (23,733)	- (23,733)	- (199,625)	- (199,625)	- (42,107)	- (42,107)
30 Jun 2022	0bps +66bps - (2,565)	0bps +66bps - (1,899)	0bps +66bps - (1,899)	0bps +66bps - (3,977)	0bps +66bps - (3,977)	0bps +66bps - (5,680)	0bps +66bps - (5,680)	0bps +66bps - (45,422)	0bps +66bps - (45,422)	0bps +66bps - (8,091)	0bps +66bps - (8,091)

Impact on operating profit/(loss) and net assets attributable to unitholders											
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)											
Interest rate risk				Foreign exchange risk							
		British Pound		Japanese Yen		New Zealand Dollar		US Dollar		Other currencies	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
0bps	+278bps	-17%	+1%	-2%	+9%	-5%	+3%	-8%	+6%	-10%	+3%
30 Jun 2023	- (22,252)	(4,917)	289	(1,223)	5,502	(766)	460	(31,944)	23,958	(28,276)	8,483

Impact on operating profit/(loss) and net assets attributable to unitholders											
Vanguard Global Aggregate Bond Index Fund (Hedged)											
Interest rate risk				Foreign exchange risk							
		Euro		Japanese Yen		New Zealand Dollar		US Dollar		Other currencies	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
0bps	+66bps	-6%	+7%	-2%	+17%	-1%	+7%	-11%	0%	-5%	+4%
30 Jun 2022	- (8,371)	(20,866)	24,344	(2,279)	19,373	(263)	1,839	(67,040)	-	(7,431)	5,945

Impact on operating profit/(loss) and net assets attributable to unitholders											
Vanguard Global Aggregate Bond Index Fund (Hedged)											
Interest rate risk				Foreign exchange risk							
		Canadian Dollar		Euro		Israeli New Shekel		US Dollar		Other currencies	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
0bps	+278bps	-8%	+2%	-15%	+2%	-1%	+11%	-8%	+6%	-10%	+4%
30 Jun 2023	- (217,224)	(18,479)	4,620	(300,811)	40,108	(135)	1,486	(317,028)	237,771	(130,750)	52,300

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

			Canadian Dollar		Euro		Japanese Yen		US Dollar		Other currencies	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	0bps	+66bps	-7%	0%	-6%	+7%	-2%	+17%	-11%	0%	-5%	+6%
30 Jun 2022	-	(48,155)	(16,478)	-	(116,658)	136,101	(12,353)	105,000	(405,359)	-	(34,951)	41,941

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

Vanguard International Credit Securities Index Fund (Hedged)

	Interest rate risk		Foreign exchange risk									
			Euro		Japanese Yen		Korean Won		US Dollar		Other currencies	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	0bps	+278bps	-15%	+2%	-2%	+9%	-8%	+2%	-8%	+6%	-7%	+4%
30 Jun 2023	-	(14,081)	(21,132)	2,818	(166)	748	(280)	70	(22,310)	16,732	(4,040)	2,310

			Canadian Dollar		Euro		Japanese Yen		US Dollar		Other currencies	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	0bps	+66bps	-7%	0%	-6%	+7%	-2%	+17%	-11%	0%	-4%	+5%
30 Jun 2022	-	(3,433)	(2,363)	-	(8,531)	9,953	(214)	1,820	(30,678)	-	(1,299)	1,624

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

Vanguard International Fixed Interest Index Fund (Hedged)

	Interest rate risk		Foreign exchange risk									
			Euro		Japanese Yen		Korean Won		US Dollar		Other currencies	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	0bps	+278bps	-15%	+2%	-2%	+9%	-8%	+2%	-8%	+6%	-10%	+3%
30 Jun 2023	-	(58,184)	(74,238)	9,898	(9,124)	41,059	(3,042)	761	(58,244)	43,683	(28,559)	8,566

			Euro		British Pound		Japanese Yen		US Dollar		Other currencies	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
	0bps	+66bps	-6%	+7%	-2%	+8%	-2%	+17%	-11%	0%	-4%	+4%
30 Jun 2022	-	(12,001)	(26,934)	31,423	(2,407)	9,629	(8,788)	74,701	(66,459)	-	(7,252)	7,252

(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 main concentration of credit risk, to which the Funds are exposed, arises from the Funds' investments in debt securities. The Funds are also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. No loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

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

Credit risk is managed by ensuring that:

- counterparties with respective credit limits are approved by the Responsible Entity; and
- transactions are undertaken with a number of counterparties.

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(c) Credit risk (continued)

The Funds invest in fixed interest securities and money market securities which have credit ratings as rated by well-known rating agencies. For unrated fixed interest securities a rating is assigned by the investment manager using an approach that is consistent with the approach used by rating agencies.

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 2023 or 30 June 2022.

(i) Debt securities

There is credit risk associated with debt securities. Vanguard seeks to reduce this risk by selecting only debt securities with a sufficiently high credit rating and by diversifying the Funds' holding across issuers.

Vanguard will try to minimise the credit risk associated with holding bonds by primarily holding government and supranational (issued by government-owned or government-guaranteed entities) bonds or other investment-grade entities. Investment-grade issuers are defined as those rated BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's. An analysis of debt by rating is set out in the tables below.

Rating	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AAA	385,630	388,178	43,834	85,366	178,902	184,267	216,629	194,479
AA+	-	-	-	-	30,363	64,835	20,970	28,843
AA	-	-	-	-	-	-	41,293	41,605
AA-	-	-	107,147	123,740	194,401	150,122	152,953	120,200
A+	-	-	43,407	62,949	138,597	115,976	67,146	66,057
A	-	-	22,438	8,469	33,886	46,937	36,086	39,551
A-	-	-	4,743	5,035	-	4,728	82,398	100,048
A-1+	-	-	18,700	2,199	32,635	35,489	-	-
A-1	-	-	-	-	18,962	-	-	-
BBB+	-	-	-	-	-	-	144,922	154,462
BBB	-	-	-	-	-	-	78,158	99,844
BBB-	-	-	-	-	-	-	12,011	13,062
Total	385,630	388,178	240,269	287,758	627,746	602,354	852,566	858,151

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(c) Credit risk (continued)

(i) Debt securities (continued)

Rating	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AAA	4,729,912	4,671,680	1,047,153	885,283	348,719	438,694
AA+	1,212,935	1,105,306	302,977	229,106	64,457	176,782
AA	650,390	522,838	150,121	99,992	27,039	91,163
AA-	180,228	140,521	10,396	8,440	70,729	64,996
A+	91,432	85,024	-	-	54,299	114,155
A	31,780	32,477	-	-	63,121	95,224
A-	69,349	82,034	-	-	41,379	62,872
A-1+	-	-	-	-	-	4,112
BBB+	132,122	127,306	-	-	37,599	60,145
BBB	73,425	90,437	-	-	64,210	98,987
BBB-	8,280	8,476	-	-	19,667	33,753
BB+	-	-	-	-	725	1,361
BB	-	-	-	-	36	-
Not Rated	-	(1)	-	(8)	2,789	16,756
Total	7,179,853	6,866,098	1,510,647	1,222,813	794,769	1,259,000

Rating	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AAA	3,106,942	2,487,577	57,421	59,740	939,150	823,182
AA+	617,504	857,524	31,874	32,700	43,004	23,836
AA	305,697	506,258	32,639	34,984	49,286	137,252
AA-	686,017	337,865	27,354	27,027	284,392	153,563
A+	585,596	599,255	51,275	51,140	256,645	220,352
A	583,770	577,290	42,419	39,995	277,559	283,652
A-	470,813	412,916	74,049	72,128	34,903	17,730
BBB+	521,248	445,920	71,615	79,037	51,460	24,391
BBB	659,689	633,144	68,882	71,108	130,686	113,735
BBB-	243,040	245,992	39,014	39,833	14,631	13,016
BB+	13,332	10,687	2,053	1,485	1,693	1,324
BB	-	-	73	4	-	-
Not Rated	13,168	107,415	3,117	3,992	-	-
Total	7,806,816	7,221,843	501,785	513,173	2,083,409	1,812,033

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(c) Credit risk (continued)

(ii) 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. The Funds' agreements with derivative counterparties are based on the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds do not presently have a legally enforceable right of set-off, these amounts have not been offset and are presented gross in the balance sheet.

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.

During the year, Vanguard Australian Fixed Interest Index Fund, Vanguard Global Aggregate Bond Index Fund, Vanguard Ethically Conscious Global Aggregate Bond Index and Vanguard International Credit Securities Index Fund could enter into agreement for securities to qualify as another eligible credit support on derivatives transactions under which legal title to some of the Funds' financial assets such as debt securities are transferred to a counterparty.

The risks and benefits of the transferred assets remain with the Funds, because the Funds continue to enjoy the risks and benefits of the assets and have not been derecognised (i.e. treated as having been sold).

Details of all open transactions at year end are disclosed in note 19.

(iii) 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.

(iv) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1 or higher 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.

(v) 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 JPM Chase Bank, N.A., Sydney Branch. JPM Chase Bank, N.A., Sydney Branch, is a member of a major securities exchange, and at 30 June 2023 had a credit rating of A-1 (30 June 2022: A-1). At 30 June 2023, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by JPM Chase Bank, N.A., Sydney Branch.

(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 fixed interest securities,

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(d) Liquidity risk (continued)

money market securities and derivative contracts traded over-the-counter and on an exchange. 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' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

	Vanguard Australian Inflation-Linked Bond Index Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Distribution payable	1,414	-	-	-	1,414	-	-	-	-	-
Payables	106	-	-	-	106	177	-	-	-	177
Due to brokers - payable for securities purchased	2,292	-	-	-	2,292	1,722	-	-	-	1,722
Total liabilities	3,812	-	-	-	3,812	1,899	-	-	-	1,899

	Vanguard Short Term Fixed Interest Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Distribution payable	504	-	-	-	504	-	-	-	-	-
Payables	354	-	-	-	354	389	-	-	-	389
Total liabilities	858	-	-	-	858	389	-	-	-	389

	Vanguard Cash Reserve Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Margin accounts	324	-	-	-	324	-	-	-	-	-
Distribution payable	2,242	-	-	-	2,242	133	-	-	-	133
Payables	5,712	-	-	-	5,712	969	-	-	-	969
Total liabilities	8,278	-	-	-	8,278	1,102	-	-	-	1,102

	Vanguard Australian Corporate Fixed Interest Index Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Distribution payable	3,417	-	-	-	3,417	602	-	-	-	602
Payables	5,515	-	-	-	5,515	280	-	-	-	280
Due to brokers - payable for securities purchased	1,561	-	-	-	1,561	4,755	-	-	-	4,755
Net assets attributable to unitholders	852,738	-	-	-	852,738	858,131	-	-	-	858,131
Total liabilities	863,231	-	-	-	863,231	863,768	-	-	-	863,768

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard Australian Fixed Interest Index Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	107,430	-	-	-	107,430	99,710	-	-	-	99,710
Margin accounts	2,504	-	-	-	2,504	-	-	-	-	-
Distribution payable	19,520	-	-	-	19,520	-	-	-	-	-
Payables	7,218	-	-	-	7,218	67,734	-	-	-	67,734
Due to brokers - payable for securities purchased	47,275	-	-	-	47,275	105,728	-	-	-	105,728
Net assets attributable to unitholders	7,155,883	-	-	-	7,155,883	6,867,935	-	-	-	6,867,935
Total liabilities	7,339,830	-	-	-	7,339,830	7,141,107	-	-	-	7,141,107

	Vanguard Australian Government Bond Index Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	26,010	-	-	-	26,010	20,454	-	-	-	20,454
Margin accounts	621	-	-	-	621	284	-	-	-	284
Distribution payable	13,281	-	-	-	13,281	-	-	-	-	-
Payables	902	-	-	-	902	624	-	-	-	624
Due to brokers - payable for securities purchased	7,648	-	-	-	7,648	37,569	-	-	-	37,569
Net assets attributable to unitholders	1,505,733	-	-	-	1,505,733	1,223,786	-	-	-	1,223,786
Total liabilities	1,554,195	-	-	-	1,554,195	1,282,717	-	-	-	1,282,717

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	3+ years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	3+ years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	-	-	-	122	122	-	-	-	6,431	6,431
Margin accounts	5,526	-	-	-	5,526	21,239	-	-	-	21,239
Distribution payable	5,928	-	-	-	5,928	7,287	-	-	-	7,287
Payables	357	-	-	-	357	423	-	-	-	423
Due to brokers - payable for securities purchased	10,829	-	-	-	10,829	2,668	-	-	-	2,668
Net assets attributable to unitholders	802,509	-	-	-	802,509	1,270,388	-	-	-	1,270,388
Total liabilities	825,149	-	-	122	825,271	1,302,005	-	-	6,431	1,308,436

	Vanguard Global Aggregate Bond Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	3+ years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	3+ years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	-	-	-	5,990	5,990	-	-	-	11,826	11,826
Margin accounts	112,606	-	-	-	112,606	27,153	-	-	-	27,153
Distribution payable	47,142	-	-	-	47,142	32,819	-	-	-	32,819
Payables	5,946	-	-	-	5,946	103,429	-	-	-	103,429
Due to brokers - payable for securities purchased	248,616	-	-	-	248,616	22,927	-	-	-	22,927
Net assets attributable to unitholders	7,767,347	-	-	-	7,767,347	7,198,679	-	-	-	7,198,679
Total liabilities	8,181,657	-	-	5,990	8,187,647	7,385,007	-	-	11,826	7,396,833

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(d) Liquidity risk (continued)

	Vanguard International Credit Securities Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	3+ years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	3+ years \$'000	Total \$'000
Financial liabilities at fair value through profit or loss	-	-	-	16	16	-	-	-	-	-
Margin accounts	400	-	-	-	400	910	-	-	-	910
Distribution payable	3,962	-	-	-	3,962	3,763	-	-	-	3,763
Payables	4,560	-	-	-	4,560	162	-	-	-	162
Due to brokers - payable for securities purchased	8,174	-	-	-	8,174	1,682	-	-	-	1,682
Net assets attributable to unitholders	504,431	-	-	-	504,431	512,059	-	-	-	512,059
Total liabilities	521,527	-	-	16	521,543	518,576	-	-	-	518,576

	Vanguard International Fixed Interest Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Margin accounts	23,810	-	-	-	23,810	2,441	-	-	-	2,441
Distribution payable	9,012	-	-	-	9,012	14,830	-	-	-	14,830
Payables	2,590	-	-	-	2,590	4,380	-	-	-	4,380
Due to brokers - payable for securities purchased	76,321	-	-	-	76,321	4,976	-	-	-	4,976
Net assets attributable to unitholders	2,074,788	-	-	-	2,074,788	1,809,182	-	-	-	1,809,182
Total liabilities	2,186,521	-	-	-	2,186,521	1,835,809	-	-	-	1,835,809

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 Australian Corporate Fixed Interest Index Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Derivative										
Inflows	25	-	-	-	25	-	-	-	-	-
(Outflows)	(25)	-	-	-	(25)	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-

	Vanguard Australian Fixed Interest Index Fund									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Derivative										
Inflows	380	-	-	-	380	-	-	-	-	-
(Outflows)	(380)	-	-	-	(380)	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturities of gross-settled derivative financial instruments (continued)

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Derivative										
Inflows	4,882,043	2,483,801	-	-	7,365,844	9,709,211	4,430,470	-	-	14,139,681
(Outflows)	(4,877,734)	(2,480,005)	-	-	(7,357,739)	(9,739,638)	(4,440,599)	-	-	(14,180,237)
Net	4,309	3,796	-	-	8,105	(30,427)	(10,129)	-	-	(40,556)

	Vanguard Global Aggregate Bond Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Derivative										
Inflows	22,871,066	11,394,788	-	-	34,265,854	23,075,874	11,600,132	-	-	34,676,006
(Outflows)	(22,757,235)	(11,370,917)	-	-	(34,128,152)	(23,256,328)	(11,620,578)	-	-	(34,876,906)
Net	113,831	23,871	-	-	137,702	(180,454)	(20,446)	-	-	(200,900)

	Vanguard International Credit Securities Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Derivative										
Inflows	1,496,856	718,078	-	-	2,214,934	1,629,928	782,112	-	-	2,412,040
(Outflows)	(1,489,593)	(717,042)	-	-	(2,206,635)	(1,643,581)	(783,877)	-	-	(2,427,458)
Net	7,263	1,036	-	-	8,299	(13,653)	(1,765)	-	-	(15,418)

	Vanguard International Fixed Interest Index Fund (Hedged)									
	30 Jun 2023					30 Jun 2022				
	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-3 years \$'000	Total \$'000
Derivative										
Inflows	6,662,454	3,330,997	-	-	9,993,451	6,321,857	3,171,785	-	-	9,493,642
(Outflows)	(6,620,340)	(3,324,516)	-	-	(9,944,856)	(6,345,586)	(3,177,293)	-	-	(9,522,879)
Net	42,114	6,481	-	-	48,595	(23,729)	(5,508)	-	-	(29,237)

Notes to the financial statements (continued)

For the year ended 30 June 2023

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are reported on a gross basis in the balance sheets. The Funds do not presently have a legally enforceable right to offset these amounts. The gross and net positions of financial assets and liabilities for Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) are disclosed in the table below, amounts for all other funds are immaterial as of 30 June 2023 and 30 June 2022.

30 Jun 2023	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)			
	Gross amounts not offset in the balance sheet			
	Gross amount presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Cash collateral \$'000	Net amount \$'000
Financial assets				
Forward currency contracts	35,488	(22,449)	(8,388)	4,651
Financial liabilities				
Forward currency contracts	27,383	(22,449)	(3,092)	1,842
30 Jun 2022	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)			
	Gross amounts not offset in the balance sheet			
	Gross amount presented in the balance sheet \$'000	Amounts subject to master netting arrangements \$'000	Cash collateral \$'000	Net amount \$'000
Financial assets				
Forward currency contracts	96,663	(60,608)	(21,239)	14,816
Financial liabilities				
Forward currency contracts	137,219	(60,608)	(17,748)	58,863

5 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 7 and 8)
- Derivative financial instruments (see note 9)

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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- 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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

5 Fair value measurement (continued)

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

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.

(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 2023 and 30 June 2022.

	Vanguard Australian Inflation-Linked Bond Index Fund							
	30 Jun 2023				30 Jun 2022			
	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								
Fixed interest securities	-	385,630	-	385,630	-	388,178	-	388,178
Total	-	385,630	-	385,630	-	388,178	-	388,178

Notes to the financial statements (continued)

For the year ended 30 June 2023

5 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Short Term Fixed Interest Fund							
	30 Jun 2023				30 Jun 2022			
	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	-	-	-	-	2	-	-	2
Fixed interest securities	-	146,613	-	146,613	-	169,390	-	169,390
Money market securities	-	93,656	-	93,656	-	118,368	-	118,368
Total	-	240,269	-	240,269	2	287,758	-	287,760

	Vanguard Cash Reserve Fund							
	30 Jun 2023				30 Jun 2022			
	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	-	-	-	-	40	-	-	40
Fixed interest securities*	-	434,180	-	434,180	-	357,471	-	357,471
Money market securities	-	193,566	-	193,566	-	244,883	-	244,883
Total	-	627,746	-	627,746	40	602,354	-	602,394

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

	Vanguard Australian Corporate Fixed Interest Index Fund							
	30 Jun 2023				30 Jun 2022			
	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	19	-	-	19	9	-	-	9
Fixed interest securities	-	849,429	-	849,429	-	853,896	-	853,896
Money market securities	-	3,137	-	3,137	-	4,255	-	4,255
Total	19	852,566	-	852,585	9	858,151	-	858,160
Financial liabilities at fair value through profit or loss								
Derivatives	7	-	-	7	-	-	-	-
Total	7	-	-	7	-	-	-	-

	Vanguard Australian Fixed Interest Index Fund							
	30 Jun 2023				30 Jun 2022			
	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								
Fixed interest securities*	-	7,283,790	-	7,283,790	-	6,960,760	-	6,960,760
Money market securities	-	3,493	-	3,493	-	5,048	-	5,048
Total	-	7,287,283	-	7,287,283	-	6,965,808	-	6,965,808
Financial liabilities at fair value through profit or loss								
Fixed interest securities*	-	107,430	-	107,430	-	99,710	-	99,710
Total	-	107,430	-	107,430	-	99,710	-	99,710

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Notes to the financial statements (continued)

For the year ended 30 June 2023

5 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Australian Government Bond Index Fund							
	30 Jun 2023				30 Jun 2022			
	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								
Fixed interest securities*	-	1,536,657	-	1,536,657	-	1,243,267	-	1,243,267
Total	-	1,536,657	-	1,536,657	-	1,243,267	-	1,243,267
Financial liabilities at fair value through profit or loss								
Fixed interest securities*	-	26,010	-	26,010	-	20,454	-	20,454
Total	-	26,010	-	26,010	-	20,454	-	20,454

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	30 Jun 2023				30 Jun 2022			
	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	35,491	-	35,501	232	96,663	-	96,895
Fixed interest securities*	-	794,891	-	794,891	-	1,265,431	-	1,265,431
Total	10	830,382	-	830,392	232	1,362,094	-	1,362,326
Financial liabilities at fair value through profit or loss								
Derivatives	109	27,384	-	27,493	63	137,219	-	137,282
Fixed interest securities	-	122	-	122	-	6,431	-	6,431
Total	109	27,506	-	27,615	63	143,650	-	143,713

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	30 Jun 2023				30 Jun 2022			
	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	9	228,662	-	228,671	103	152,185	-	152,288
Fixed interest securities*	-	7,812,806	-	7,812,806	-	7,233,669	-	7,233,669
Total	9	8,041,468	-	8,041,477	103	7,385,854	-	7,385,957
Financial liabilities at fair value through profit or loss								
Derivatives	31	90,960	-	90,991	95	353,085	-	353,180
Fixed interest securities	-	5,990	-	5,990	-	11,826	-	11,826
Total	31	96,950	-	96,981	95	364,911	-	365,006

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Notes to the financial statements (continued)

For the year ended 30 June 2023

5 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard International Credit Securities Index Fund (Hedged)							
	30 Jun 2023				30 Jun 2022			
	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	63	14,202	-	14,265	60	10,111	-	10,171
Fixed interest securities	-	501,801	-	501,801	-	513,173	-	513,173
Total	63	516,003	-	516,066	60	523,284	-	523,344
Financial liabilities at fair value through profit or loss								
Derivatives	52	5,903	-	5,955	37	25,528	-	25,565
Fixed interest securities	-	16	-	16	-	-	-	-
Total	52	5,919	-	5,971	37	25,528	-	25,565

	Vanguard International Fixed Interest Index Fund (Hedged)							
	30 Jun 2023				30 Jun 2022			
	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	-	73,225	-	73,225	-	58,778	-	58,778
Fixed interest securities	-	2,083,409	-	2,083,409	-	1,812,033	-	1,812,033
Total	-	2,156,634	-	2,156,634	-	1,870,811	-	1,870,811
Financial liabilities at fair value through profit or loss								
Derivatives	-	24,630	-	24,630	-	88,016	-	88,016
Total	-	24,630	-	24,630	-	88,016	-	88,016

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no changes made to any of the valuation techniques applied as of 30 June 2023.

Transfers between levels

There were no transfers between the levels of the fair value hierarchy 30 June 2023 and 30 June 2022.

There were no transfers into and out of level 3 during the reporting period.

Notes to the financial statements (continued)

For the year ended 30 June 2023

6 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 Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	18,641	(90,536)	3,644	(1,165)	1,952	603	18,320	(103,460)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	2,370	12,610	4,517	(5,842)	16,740	107	9,363	17,807
Total net gains/(losses) on financial instruments at fair value through profit or loss	21,011	(77,926)	8,161	(7,007)	18,692	710	27,683	(85,653)

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	(22,067)	(970,185)	(2,058)	(150,450)	134,671	(124,029)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	108,002	72,905	9,176	10,214	(111,940)	(76,839)
Total net gains/(losses) on financial instruments at fair value through profit or loss	85,935	(897,280)	7,118	(140,236)	22,731	(200,868)

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net unrealised gain/(loss) on financial instruments at fair value through profit or loss	538,941	(765,393)	45,131	(73,639)	120,081	(199,525)
Net realised gain/(loss) on financial instruments at fair value through profit or loss	(673,539)	(96,784)	(46,902)	(3,527)	(157,644)	19,346
Total net gains/(losses) on financial instruments at fair value through profit or loss	(134,598)	(862,177)	(1,771)	(77,166)	(37,563)	(180,179)

Notes to the financial statements (continued)

For the year ended 30 June 2023

7 Financial assets at fair value through profit or loss

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	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	-	-	-	2	-	40	19	9
Fixed interest securities	385,630	388,178	146,613	169,390	434,180	357,471	849,429	853,896
Money market securities	-	-	93,656	118,368	193,566	244,883	3,137	4,255
Total financial assets at fair value through profit or loss	385,630	388,178	240,269	287,760	627,746	602,394	852,585	858,160
Comprising:								
Derivatives								
Australian interest rate futures	-	-	-	-	-	-	19	9
Australian money market futures	-	-	-	2	-	40	-	-
Total derivatives	-	-	-	2	-	40	19	9
Fixed interest securities								
Australian fixed interest securities	385,630	388,178	142,916	167,191	337,894	351,971	849,429	853,896
Australian reverse repurchase agreements*	-	-	3,697	2,199	96,286	5,500	-	-
Total fixed interest securities	385,630	388,178	146,613	169,390	434,180	357,471	849,429	853,896
Money market securities								
Australian money market securities	-	-	93,656	118,368	193,566	244,883	3,137	4,255
Total money market securities	-	-	93,656	118,368	193,566	244,883	3,137	4,255
Total financial assets at fair value through profit or loss	385,630	388,178	240,269	287,760	627,746	602,394	852,585	858,160

*Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Notes to the financial statements (continued)

For the year ended 30 June 2023

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

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	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	-	-	-	-	35,501	96,895
Fixed interest securities	7,283,790	6,960,760	1,536,657	1,243,267	794,891	1,265,431
Money market securities	3,493	5,048	-	-	-	-
Total financial assets at fair value through profit or loss	7,287,283	6,965,808	1,536,657	1,243,267	830,392	1,362,326
Comprising:						
Derivatives						
Foreign currency forward contracts	-	-	-	-	35,488	96,663
Australian interest rate futures	-	-	-	-	11	8
International interest rate futures	-	-	-	-	2	224
Total derivatives	-	-	-	-	35,501	96,895
Fixed interest securities						
Australian fixed interest securities	7,169,239	6,861,051	1,510,647	1,222,822	15,752	21,628
International fixed interest securities	-	-	-	-	768,455	1,230,208
Australian reverse repurchase agreements*	114,551	99,709	26,010	20,445	9,035	7,899
International reverse repurchase agreements*	-	-	-	-	1,649	5,696
Total fixed interest securities	7,283,790	6,960,760	1,536,657	1,243,267	794,891	1,265,431
Money market securities						
Australian money market securities	3,493	5,048	-	-	-	-
Total money market securities	3,493	5,048	-	-	-	-
Total financial assets at fair value through profit or loss	7,287,283	6,965,808	1,536,657	1,243,267	830,392	1,362,326

* Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Notes to the financial statements (continued)

For the year ended 30 June 2023

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

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	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	228,671	152,288	14,265	10,171	73,225	58,778
Fixed interest securities	7,812,806	7,233,669	501,801	513,173	2,083,409	1,812,033
Total financial assets at fair value through profit or loss	8,041,477	7,385,957	516,066	523,344	2,156,634	1,870,811
Comprising:						
Derivatives						
Foreign currency forward contracts	228,662	152,185	14,202	10,111	73,225	58,778
Australian interest rate futures	-	-	3	1	-	-
International interest rate futures	9	103	60	59	-	-
Total derivatives	228,671	152,288	14,265	10,171	73,225	58,778
Fixed interest securities						
Australian fixed interest securities	135,504	127,294	11,024	10,201	31,817	32,209
International fixed interest securities	7,613,815	7,088,577	490,777	502,972	2,038,709	1,779,824
Australian reverse repurchase agreements*	63,487	17,798	-	-	12,883	-
Total fixed interest securities	7,812,806	7,233,669	501,801	513,173	2,083,409	1,812,033
Total financial assets at fair value through profit or loss	8,041,477	7,385,957	516,066	523,344	2,156,634	1,870,811

* Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

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

8 Financial liabilities at fair value through profit or loss

	Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	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	7	-	-	-	-	-
Fixed interest securities	-	-	107,430	99,710	26,010	20,454
Total financial liabilities at fair value through profit or loss	7	-	107,430	99,710	26,010	20,454
Comprising:						
Derivatives						
Australian interest rate futures	7	-	-	-	-	-
Total derivatives	7	-	-	-	-	-
Fixed interest securities						
Australian reverse repurchase agreements*	-	-	107,430	99,710	26,010	20,454
Total fixed interest securities	-	-	107,430	99,710	26,010	20,454
Total financial liabilities at fair value through profit or loss	7	-	107,430	99,710	26,010	20,454

* Reverse repurchase agreements are used to manage the Funds' liquidity and collateral requirements whilst preserving capital.

Notes to the financial statements (continued)

For the year ended 30 June 2023

8 Financial liabilities at fair value through profit or loss (continued)

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)		Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	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 liabilities at fair value through profit or loss								
Derivatives	27,493	137,282	90,991	353,180	5,955	25,565	24,630	88,016
Fixed interest securities	122	6,431	5,990	11,826	16	-	-	-
Total financial liabilities at fair value through profit or loss	27,615	143,713	96,981	365,006	5,971	25,565	24,630	88,016
Comprising:								
Derivatives								
Foreign currency forward contracts	27,383	137,219	90,960	353,085	5,903	25,528	24,630	88,016
Australian interest rate futures	1	-	-	-	-	-	-	-
International interest rate futures	109	63	31	95	52	37	-	-
Total derivatives	27,493	137,282	90,991	353,180	5,955	25,565	24,630	88,016
Fixed interest securities								
International fixed interest securities	122	6,431	5,990	11,826	16	-	-	-
Total fixed interest securities	122	6,431	5,990	11,826	16	-	-	-
Total financial liabilities at fair value through profit or loss	27,615	143,713	96,981	365,006	5,971	25,565	24,630	88,016

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

9 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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

9 Derivative financial instruments (continued)

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.

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

	Vanguard Short Term Fixed Interest Fund						
	Contract/ Notional \$'000	2023			Contract/ Notional \$'000	2022	
		Fair value		Liabilities \$'000		Fair value	
		Assets \$'000				Assets \$'000	Liabilities \$'000
Australian money market futures	-	-	-	8,753	2	-	
Total	-	-	-	8,753	2	-	

	Vanguard Cash Reserve Fund						
	Contract/ Notional \$'000	2023			Contract/ Notional \$'000	2022	
		Fair value		Liabilities \$'000		Fair value	
		Assets \$'000				Assets \$'000	Liabilities \$'000
Australian money market futures	(3,955)	-	-	63,213	40	-	
Total	(3,955)	-	-	63,213	40	-	

	Vanguard Australian Corporate Fixed Interest Index Fund						
	Contract/ Notional \$'000	2023			Contract/ Notional \$'000	2022	
		Fair value		Liabilities \$'000		Fair value	
		Assets \$'000				Assets \$'000	Liabilities \$'000
Forward currency contracts	25	-	-	-	-	-	
Australian interest rate futures	(4,227)	19	7	873	9	-	
Total	(4,202)	19	7	873	9	-	

	Vanguard Australian Fixed Interest Index Fund						
	Contract/ Notional \$'000	2023			Contract/ Notional \$'000	2022	
		Fair value		Liabilities \$'000		Fair value	
		Assets \$'000				Assets \$'000	Liabilities \$'000
Forward currency contracts	380	-	-	-	-	-	
Total	380	-	-	-	-	-	

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)						
	Contract/ Notional \$'000	2023			Contract/ Notional \$'000	2022	
		Fair value		Liabilities \$'000		Fair value	
		Assets \$'000				Assets \$'000	Liabilities \$'000
Forward currency contracts	7,365,844	35,488	27,383	14,139,681	96,663	137,219	
Australian interest rate futures	(1,273)	11	1	3,192	8	-	
International interest rate futures	17,716	2	109	24,118	224	63	
Total	7,382,287	35,501	27,493	14,166,991	96,895	137,282	

Notes to the financial statements (continued)

For the year ended 30 June 2023

9 Derivative financial instruments (continued)

Futures (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)					
	Contract/ Notional \$'000	2023		Contract/ Notional \$'000	2022	
		Fair value			Fair value	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
Forward currency contracts	34,265,854	228,662	90,960	34,676,006	152,185	353,085
International interest rate futures	9,157	9	31	(18,467)	103	95
Total	34,275,011	228,671	90,991	34,657,539	152,288	353,180

	Vanguard International Credit Securities Index Fund (Hedged)					
	Contract/ Notional \$'000	2023		Contract/ Notional \$'000	2022	
		Fair value			Fair value	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
Forward currency contracts	2,214,934	14,202	5,903	2,412,040	10,111	25,528
Australian interest rate futures	(576)	3	-	97	1	-
International interest rate futures	1,883	60	52	1,894	59	37
Total	2,216,241	14,265	5,955	2,414,031	10,171	25,565

	Vanguard International Fixed Interest Index Fund (Hedged)					
	Contract/ Notional \$'000	2023		Contract/ Notional \$'000	2022	
		Fair value			Fair value	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
Forward currency contracts	9,993,451	73,225	24,630	9,493,642	58,778	88,016
International interest rate futures	-	-	-	(1,523)	-	-
Total	9,993,451	73,225	24,630	9,492,119	58,778	88,016

Risk exposures and fair value measurements

Information about the Funds' exposure to credit risk, foreign exchange risk and interest rate 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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

10 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 (refer to note 2(c)).

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

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	357,956	723,548	388,265	897,897	285,592	571,214	287,552	580,635
Applications	58,165	99,419	65,503	120,397	74,513	653,410	75,440	664,036
Redemptions	(78,463)	(479,556)	(87,319)	(556,743)	(124,163)	(940,057)	(125,670)	(948,939)
Units issued upon reinvestment of distributions	-	14,545	-	17,919	618	1,025	625	1,041
Distributions paid and payable	-	-	(1,414)	(11,019)	-	-	(6,005)	(627)
Profit/(loss) for the year	-	-	19,918	(80,186)	-	-	7,665	(8,594)
Closing balance as at 30 June	337,658	357,956	384,953	388,265	236,560	285,592	239,607	287,552

	Vanguard Cash Reserve Fund			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	600,579	1,598,373	601,503	1,602,302
Applications	150,704	156,923	151,160	157,240
Redemptions	(141,465)	(1,154,866)	(141,909)	(1,156,427)
Units issued upon reinvestment of distributions	12,068	149	12,087	150
Distributions paid and payable	-	-	(18,373)	(329)
Profit/(loss) for the year	-	-	17,869	(1,433)
Closing balance as at 30 June	621,886	600,579	622,337	601,503

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	304,007	221,739	297,805	241,946	11,793	11,047	560,326	584,705
Applications	62,156	113,532	62,169	119,406	1,806	1,885	88,240	100,054
Redemptions	(138,650)	(31,442)	(138,438)	(32,921)	(745)	(1,145)	(35,547)	(56,602)
Units issued upon reinvestment of distributions	57	178	57	190	2	6	110	335
Increase/(decrease) in net assets attributable to unitholders	-	-	6,395	(30,816)	-	-	11,621	(68,166)
Closing balance as at 30 June	227,570	304,007	227,988	297,805	12,856	11,793	624,750	560,326

Notes to the financial statements (continued)

For the year ended 30 June 2023

10 Net assets attributable to unitholders (continued)

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	5,377,226	6,784,048	5,467,045	7,841,290	31,678	28,592	1,400,890	1,436,595
Applications	771,854	1,474,203	796,628	1,660,915	4,850	4,610	217,149	206,077
Redemptions	(712,796)	(2,979,150)	(733,676)	(3,267,763)	(565)	(1,575)	(25,078)	(76,231)
Units issued upon reinvestment of distributions	21,186	98,125	21,751	110,909	21	51	938	2,513
Increase/(decrease) in net assets attributable to unitholders	-	-	9,120	(878,306)	-	-	1,116	(168,064)
Closing balance as at 30 June	5,457,470	5,377,226	5,560,868	5,467,045	35,984	31,678	1,595,015	1,400,890

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	636,082	604,349	600,720	646,659	13,750	10,499	623,066	538,977
Applications	180,124	276,308	173,941	278,305	7,670	3,630	354,084	171,324
Redemptions	(187,214)	(248,524)	(179,572)	(245,851)	(1,250)	(390)	(57,668)	(19,371)
Units issued upon reinvestment of distributions	-	3,949	-	4,161	-	11	-	553
Increase/(decrease) in net assets attributable to unitholders	-	-	(2,143)	(82,554)	-	-	(6,695)	(68,417)
Closing balance as at 30 June	628,992	636,082	592,946	600,720	20,170	13,750	912,787	623,066

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,332	1,216	52,877	56,487	60,795	194,510	45,775	181,131
Applications	596	720	25,023	35,106	56,396	89,483	45,401	86,574
Redemptions	-	(605)	-	(26,884)	(11,455)	(225,516)	(9,205)	(205,400)
Units issued upon reinvestment of distributions	1	1	57	54	318	2,318	260	2,267
Increase/(decrease) in net assets attributable to unitholders	-	-	2,655	(11,886)	-	-	1,989	(18,797)
Closing balance as at 30 June	1,929	1,332	80,612	52,877	106,054	60,795	84,220	45,775

	NZD Hedged Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000
	Balance as at 1 July	1,522,116	1,018,401	1,171,736
Applications	286,940	792,936	218,146	686,473
Redemptions	(985,386)	(304,086)	(762,882)	(244,439)
Units issued upon reinvestment of distributions	23,444	14,865	17,660	13,006
Increase/(decrease) in net assets attributable to unitholders	-	-	(6,983)	(196,944)
Closing balance as at 30 June	847,114	1,522,116	637,677	1,171,736

Notes to the financial statements (continued)

For the year ended 30 June 2023

10 Net assets attributable to unitholders (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	7,936,955	6,935,202	6,727,026	6,681,021	11,099	7,929	471,653	382,745
Applications	878,494	2,200,248	731,697	2,085,413	8,030	3,395	332,173	160,124
Redemptions	(379,398)	(1,306,390)	(312,548)	(1,215,414)	(130)	(260)	(5,380)	(12,338)
Units issued upon reinvestment of distributions	132,529	107,895	109,171	102,168	70	35	2,882	1,645
Increase/(decrease) in net assets attributable to unitholders	-	-	(268,384)	(926,162)	-	-	(20,943)	(60,523)
Closing balance as at 30 June	8,568,580	7,936,955	6,986,962	6,727,026	19,069	11,099	780,385	471,653

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	347,859	599,699	323,795	654,203	4,890	4,485	188,264	202,137
Applications	100,904	67,713	92,337	71,478	180	665	6,920	29,049
Redemptions	(81,976)	(324,912)	(74,926)	(346,641)	(505)	(265)	(19,704)	(11,623)
Units issued upon reinvestment of distributions	3,586	5,359	3,264	5,778	5	5	170	219
Increase/(decrease) in net assets attributable to unitholders	-	-	(10,547)	(61,023)	-	-	(5,142)	(31,518)
Closing balance as at 30 June	370,373	347,859	333,923	323,795	4,570	4,890	170,508	188,264

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,238,035	1,546,729	1,191,258	1,660,161	15,588	13,680	617,924	605,193
Applications	442,218	388,756	415,792	412,575	5,790	2,480	223,189	107,779
Redemptions	(318,650)	(701,760)	(299,372)	(742,102)	(375)	(580)	(14,301)	(25,433)
Units issued upon reinvestment of distributions	7,125	4,310	6,724	4,564	12	8	482	332
Increase/(decrease) in net assets attributable to unitholders	-	-	(43,906)	(143,940)	-	-	(23,002)	(69,947)
Closing balance as at 30 June	1,368,728	1,238,035	1,270,496	1,191,258	21,015	15,588	804,292	617,924

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 Australian Inflation-Linked Bond Index Fund, Vanguard Short Term Fixed Interest Fund and Vanguard Cash Reserve 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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

11 Distributions to unitholders paid and payable

The distributions during the year were as follows:

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 31 July	-	-	-	-	251	0.0881	24	0.0042
- 31 August	-	-	-	-	422	0.1491	26	0.0034
- 30 September	-	-	6,018	0.8271	486	0.1729	7	0.0009
- 31 October	-	-	-	-	454	0.1654	-	-
- 30 November	-	-	-	-	373	0.1403	-	-
- 31 December	-	-	2,688	0.3785	489	0.1886	230	0.0225
- 31 January	-	-	-	-	483	0.1905	85	0.0083
- 28 February	-	-	-	-	616	0.2435	104	0.0102
- 31 March	-	-	2,313	0.3628	1,473	0.5917	151	0.0149
- 30 April	-	-	-	-	313	0.1268	-	-
- 31 May	-	-	-	-	141	0.0584	-	-
Distributions payable								
- 30 June	1,414	0.4188	-	-	504	0.2129	-	-
	1,414	0.4188	11,019	1.5684	6,005	2.3282	627	0.0644

	Vanguard Cash Reserve Fund			
	30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 31 July	539	0.0892	-	-
- 31 August	995	0.1643	-	-
- 30 September	1,090	0.1842	-	-
- 31 October	1,233	0.2068	-	-
- 30 November	1,400	0.2295	-	-
- 31 December	1,470	0.2413	-	-
- 31 January	1,705	0.2759	-	-
- 28 February	1,989	0.3221	-	-
- 31 March	2,067	0.3356	-	-
- 30 April	2,009	0.3232	-	-
- 31 May	1,634	0.2649	196	0.0317
Distributions payable				
- 30 June	2,242	0.3605	133	0.0221
	18,373	2.9975	329	0.0538

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	535	0.1869	989	0.4307	1,142	9.8837	2,607	21.1889
- 31 December	-	-	907	0.3901	-	-	2,487	19.2279
- 31 March	913	0.3316	1,170	0.4095	2,053	16.8505	2,614	21.4087
Distributions payable								
- 30 June	920	0.4042	189	0.0622	2,497	19.3633	413	3.4231
	2,368	0.9227	3,255	1.2925	5,692	46.0975	8,121	65.2486

Notes to the financial statements (continued)

For the year ended 30 June 2023

11 Distributions to unitholders paid and payable (continued)

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	12,677	0.2370	26,376	0.3747	3,445	10.4733	4,299	15.4579
- 31 December	7,502	0.1394	58,956	0.9155	2,200	6.4447	11,404	40.9504
- 31 March	13,943	0.2600	26,104	0.4112	4,010	11.6757	5,031	17.9300
Distributions payable								
- 30 June	14,888	0.2728	-	-	4,632	12.6302	-	-
	49,010	0.9092	111,436	1.7014	14,287	41.2239	20,734	74.3383

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	-	-	1,471	0.2399	-	-	1,204	11.9134
- 31 December	-	-	1,619	0.2572	-	-	1,361	12.7601
- 31 March	-	-	1,307	0.1862	-	-	1,160	9.9360
Distributions payable								
- 30 June	5,237	0.8326	-	-	8,044	39.7284	-	-
	5,237	0.8326	4,397	0.6833	8,044	39.7284	3,725	34.6095

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	140	10.4955	114	7.1078	132	0.1930	387	0.1727
- 31 December	294	18.6806	289	16.0291	260	0.3359	774	0.3134
- 31 March	289	15.4789	222	11.8630	264	0.3072	5,243	2.1010
Distributions payable								
- 30 June	633	32.5619	203	14.8651	559	0.5275	1,953	3.2129
	1,356	77.2169	828	49.8650	1,215	1.3636	8,357	5.8000

	NZD Hedged Class							
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September					2,829	0.1779	1,877	0.1580
- 31 December					5,391	0.3335	3,522	0.2525
- 31 March					4,823	0.2932	3,173	0.2063
Distributions payable								
- 30 June					4,736	0.5591	5,131	0.3371
					17,779	1.3637	13,703	0.9539

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	18,580	0.2260	15,846	0.2028	1,317	10.8541	937	10.0682
- 31 December	34,257	0.4060	28,902	0.3717	3,054	19.5184	1,781	18.6463
- 31 March	28,124	0.3319	22,761	0.2830	2,796	16.0158	1,518	14.4688
Distributions payable								
- 30 June	42,487	0.4958	30,736	0.3873	4,655	24.3505	2,083	18.6574
	123,448	1.4597	98,245	1.2448	11,822	70.7388	6,319	61.8407

Notes to the financial statements (continued)

For the year ended 30 June 2023

11 Distributions to unitholders paid and payable (continued)

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,229	0.3415	1,894	0.4312	649	14.2369	729	15.7950
- 31 December	2,477	0.6730	2,767	0.6881	1,255	27.5249	1,352	28.4847
- 31 March	1,805	0.4765	1,844	0.4568	907	19.7790	911	18.6772
Distributions payable								
- 30 June	2,663	0.7190	2,407	0.6919	1,299	28.3112	1,356	27.6046
	8,174	2.2100	8,912	2.2680	4,110	89.8520	4,348	90.5615

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	30 Jun 2023		30 Jun 2022		30 Jun 2023		30 Jun 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,995	0.1562	2,225	0.1429	1,028	6.3233	844	6.0485
- 31 December	4,018	0.3209	4,309	0.3323	2,364	12.7238	2,114	14.2777
- 31 March	3,701	0.2892	2,670	0.2083	2,346	11.9052	1,297	8.4537
Distributions payable								
- 30 June	5,528	0.4039	9,408	0.7599	3,484	16.4923	5,422	34.6728
	15,242	1.1702	18,612	1.4434	9,222	47.4446	9,677	63.4527

12 Cash and cash equivalents

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	1,645	505	2	22	2	27	964	2,131
Total cash and cash equivalents	1,645	505	2	22	2	27	964	2,131

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	413	15,312	3,957	3,159	129	129
Foreign cash at bank	-	-	-	-	9,977	11,177
Total cash and cash equivalents	413	15,312	3,957	3,159	10,106	11,306

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Domestic cash at bank	3	356	332	3,448	161	3,195
Foreign cash at bank	86,654	99,845	4,405	1,888	20,306	5,206
Total cash and cash equivalents	86,657	100,201	4,737	5,336	20,467	8,401

Notes to the financial statements (continued)

For the year ended 30 June 2023

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

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss) for the year	19,918	(80,186)	7,665	(8,594)	17,869	(1,433)	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	-	-	-	18,016	(98,982)
Distribution to unitholders	-	-	-	-	-	-	8,060	11,376
Proceeds from sale of financial instruments at fair value through profit or loss	85,906	626,641	596,324	2,238,514	2,305,619	5,268,328	292,102	230,681
Purchases of financial instruments at fair value through profit or loss	(60,687)	(179,882)	(540,660)	(1,955,763)	(2,312,236)	(4,411,322)	(268,213)	(349,864)
Net (gains)/losses on financial instruments at fair value through profit or loss	(21,011)	77,926	(8,161)	7,007	(18,692)	(710)	(27,683)	85,653
Net change in receivables	12	18	-	(2)	(20)	10	(4)	13
Net change in payables	-	(111)	(8)	(48)	1	(118)	-	(29)
Net cash inflow/(outflow) from operating activities	24,138	444,406	55,160	281,114	(7,459)	854,755	22,278	(121,152)

(b) Non-cash financing activities

During the year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan	-	17,919	625	1,041	12,087	150	167	525
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	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Increase/(decrease) in net assets attributable to unitholders	10,236	(1,046,370)	(8,838)	(150,971)	(2,339)	(227,627)
Distribution to unitholders	63,297	132,170	13,281	8,122	20,350	22,888
Proceeds from sale of financial instruments at fair value through profit or loss	1,461,975	3,432,595	365,771	273,213	1,394,905	1,452,062
Purchases of financial instruments at fair value through profit or loss	(1,641,627)	(1,875,626)	(655,410)	(438,145)	(902,978)	(1,789,355)
Net (gains)/losses on financial instruments at fair value through profit or loss	(85,935)	897,280	(7,118)	140,236	(22,731)	200,868
Net change in receivables	37	125	(10)	-	(15)	134
Net change in payables	5	(767)	53	3	(125)	100
Net cash inflow/(outflow) from operating activities	(192,012)	1,539,407	(292,271)	(167,542)	487,067	(340,930)

(b) Non-cash financing activities

During the year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan	22,689	113,422	-	4,714	17,977	15,327
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Notes to the financial statements (continued)

For the year ended 30 June 2023

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

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Increase/(decrease) in net assets attributable to unitholders	(289,327)	(986,685)	(15,689)	(92,541)	(66,908)	(213,887)
Distribution to unitholders	135,270	104,564	12,284	13,260	24,464	28,289
Proceeds from sale of financial instruments at fair value through profit or loss	3,137,222	6,718,258	258,068	550,813	610,110	1,192,326
Purchases of financial instruments at fair value through profit or loss	(3,775,547)	(7,872,443)	(263,476)	(283,326)	(882,938)	(923,347)
Net (gains)/losses on financial instruments at fair value through profit or loss	134,598	862,177	1,771	77,166	37,563	180,179
Net change in receivables	278	(403)	(13)	22	(4)	7
Net change in payables	(95)	1,365	24	(61)	122	(106)
Net cash inflow/(outflow) from operating activities	(657,601)	(1,173,167)	(7,031)	265,333	(277,591)	263,461
(b) Non-cash financing activities						
During the year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan	112,053	103,813	3,434	5,997	7,206	4,896

14 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 Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC						
Audit and review of financial statements	18,280	17,095	18,546	17,346	22,892	21,443
Other assurance services						
Audit of compliance plan, specified assertions report and internal controls report	11,491	9,598	11,491	9,598	11,491	9,598
Other non-audit services						
Tax compliance services	9,416	8,829	9,416	8,829	9,416	8,829
Total services provided by PwC	39,187	35,522	39,453	35,773	43,799	39,870

Notes to the financial statements (continued)

For the year ended 30 June 2023

14 Remuneration of auditors (continued)

	Vanguard Australian Corporate Fixed Interest Index Fund		Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Auditors of the Funds - PwC								
Audit and review of financial statements	19,871	18,595	22,523	21,095	22,523	21,095	30,480	28,595
Other assurance services								
Audit of compliance plan, specified assertions report and internal controls report	11,491	9,598	11,491	9,598	11,491	9,598	11,491	9,598
Other non-audit services								
Tax compliance services	9,416	8,829	9,416	8,829	9,416	8,829	25,481	22,821
Total services provided by PwC	40,778	37,022	43,430	39,522	43,430	39,522	67,452	61,014

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)			
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022		
	\$	\$	\$	\$	\$	\$		
Auditors of the Funds - PwC								
Audit and review of financial statements			31,010	29,095	27,828	26,095	32,071	30,095
Other assurance services								
Audit of compliance plan, specified assertions report and internal controls report			11,491	9,598	11,491	9,598	11,491	9,598
Other non-audit services								
Tax compliance services			9,416	8,829	9,416	8,829	9,416	8,829
Total services provided by PwC			51,917	47,522	48,735	44,522	52,978	48,522

15 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Funds. The Funds consider investments in unit trusts and managed funds to be structured entities. The Funds have exposures to unconsolidated structured entities through their investment activities and these have been accounted for as financial assets at fair value through profit or loss. The nature and extent of the Funds' interests in related unconsolidated structured entities are units in underlying funds and are summarised in note 16. There are no significant interests in unrelated unconsolidated structured entities held by the Funds as at the reporting date.

The Funds' maximum exposure to loss is restricted to the carrying value of the assets. Exposure to trading assets is managed in accordance with financial risk management practices as set out in note 3, which includes an indication of changes in risk measures compared to prior year.

During the year, the Funds have not provided any financial or other support to unconsolidated structured entities and have no intention of providing financial or other support to unconsolidated structured entities in the future.

Notes to the financial statements (continued)

For the year ended 30 June 2023

16 Related party transactions

Responsible Entity

The Responsible Entity of the Vanguard Wholesale Fixed Income Funds and 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 are as follows:

Daniel Shrimski

John Bendl

Curt Jacques

Kim Petersen

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 2023 and 30 June 2022.

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.

Notes to the financial statements (continued)

For the year ended 30 June 2023

16 Related party transactions (continued)

Responsible Entity's fees and other transactions

During the year ended 30 June 2023, 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	
	2023 % per annum	2022 % per annum
Vanguard Australian Inflation-Linked Bond Index Fund	0.29	0.29
Vanguard Short Term Fixed Interest Fund	0.19	0.19
Vanguard Cash Reserve Fund	0.15	0.15
Vanguard Australian Corporate Fixed Interest Index Fund - Wholesale Class	0.24	0.24
Vanguard Australian Corporate Fixed Interest Index Fund - ETF Class	0.20	0.20
Vanguard Australian Fixed Interest Index Fund - Wholesale Class	0.19	0.19
Vanguard Australian Fixed Interest Index Fund - ETF Class*	0.10	0.15
Vanguard Australian Government Bond Index Fund - Wholesale Class	0.24	0.24
Vanguard Australian Government Bond Index Fund - ETF Class	0.20	0.20
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - ETF Class	0.26	0.26
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - AUD Hedged Class	0.28	0.28
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - NZD Hedged Class	0.28	0.28
Vanguard Global Aggregate Bond Index Fund (Hedged) - Wholesale Class	0.24	0.24
Vanguard Global Aggregate Bond Index Fund (Hedged) - ETF Class	0.20	0.20
Vanguard International Credit Securities Index Fund (Hedged) - Wholesale Class	0.32	0.32
Vanguard International Credit Securities Index Fund (Hedged) - ETF Class	0.30	0.30
Vanguard International Fixed Interest Index Fund (Hedged) - Wholesale Class	0.26	0.26
Vanguard International Fixed Interest Index Fund (Hedged) - ETF Class	0.20	0.20

* Effective 6 April 2023 the rate reduced from 0.15% to 0.10%

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 Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	1,110,971	2,249,761	505,757	1,567,427	919,274	2,116,415	1,820,017	2,033,327
Total fees payable to the Responsible Entity at year end	92,862	92,756	37,865	45,931	76,933	75,746	150,663	151,023

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	12,670,294	17,073,923	2,991,449	2,652,834	3,480,687	3,935,739
Total fees payable to the Responsible Entity at year end	1,000,307	1,027,646	268,159	215,116	179,683	306,363

Notes to the financial statements (continued)

For the year ended 30 June 2023

16 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$	\$	\$	\$	\$	\$
Responsible Entity's fees for the year	17,918,783	18,461,738	1,609,622	2,055,131	4,524,994	5,043,085
Total fees payable to the Responsible Entity at year end	1,515,182	1,435,440	133,941	132,585	400,927	360,121

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 and information about the Funds' interests in unconsolidated structured entities is included in the following tables. The fair values of a Fund's investments in each of its underlying funds represent the Fund's maximum exposure in these underlying funds.

Vanguard Short Term Fixed Interest Fund								
30 Jun 2023	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units		\$	%	Units	Units	\$
Vanguard Investor Short Term Fixed Interest Fund	15,510,322	12,769,395	Australia	12,932,844	5.40	516,689	3,257,616	313,893

Vanguard Short Term Fixed Interest Fund								
30 Jun 2022	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units		\$	%	Units	Units	\$
Vanguard Investor Short Term Fixed Interest Fund	18,661,704	15,510,322	Australia	15,615,792	5.43	710,330	3,861,712	10,524

Vanguard Cash Reserve Fund								
30 Jun 2023	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units		\$	%	Units	Units	\$
Vanguard LifeStrategy® Conservative Fund	4,398,420	3,978,337	Australia	3,981,519	0.64	179,725	599,808	126,135
Vanguard Conservative Index Fund	320,176,793	288,296,193	Australia	288,526,831	46.36	11,433,864	43,314,464	9,081,818
Vanguard Super*	-	12,698,288	Australia	12,708,446	2.04	17,415,778	4,717,490	215,997

* This Fund did not hold units during the year ended 30 June 2022.

Notes to the financial statements (continued)

For the year ended 30 June 2023

16 Related party transactions (continued)

Related party unitholdings (continued)

		Vanguard Cash Reserve Fund							
30 Jun 2022	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units		\$	%	Units	Units	\$	
Vanguard LifeStrategy® Conservative Fund	5,551,616	4,398,420	Australia	4,405,457	0.73	295,711	1,448,907	2,458	
Vanguard Conservative Index Fund	313,267,228	320,176,793	Australia	320,689,077	53.31	40,675,034	33,765,469	176,761	

		Vanguard Australian Fixed Interest Index Fund							
30 Jun 2023	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units		\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	16,350,098	14,193,395	Australia	14,470,166	0.26	426,086	2,582,789	134,734	
Vanguard LifeStrategy® Conservative Fund	7,889,907	6,931,030	Australia	7,066,185	0.13	141,753	1,100,630	66,275	
Vanguard LifeStrategy® Balanced Fund	23,211,285	22,271,136	Australia	22,705,423	0.41	348,887	1,289,036	204,203	
Vanguard LifeStrategy® Growth Fund	23,102,219	23,571,433	Australia	24,031,076	0.43	1,533,776	1,064,562	213,549	
Vanguard LifeStrategy® High Growth Fund	10,073,444	10,629,442	Australia	10,836,717	0.19	1,326,706	770,708	94,295	
Vanguard Conservative Index Fund	563,068,993	508,298,131	Australia	518,209,944	9.31	11,885,888	66,656,750	4,785,456	
Vanguard Balanced Index Fund	1,112,878,477	1,099,831,963	Australia	1,121,278,687	20.15	34,926,302	47,972,816	10,031,383	
Vanguard Growth Index Fund	747,984,599	793,626,767	Australia	809,102,489	14.54	82,232,979	36,590,811	7,074,458	
Vanguard High Growth Index Fund	181,940,614	220,374,633	Australia	224,671,938	4.04	57,429,041	18,995,022	1,872,686	
Vanguard Diversified Bond Index Fund	88,218,043	86,084,516	Australia	87,763,165	1.58	10,973,146	13,106,673	778,424	
Vanguard Super*	-	28,323,003	Australia	28,875,301	0.52	30,337,790	2,014,787	142,108	

* This Fund did not hold units during the year ended 30 June 2022.

		Vanguard Australian Fixed Interest Index Fund							
30 Jun 2022	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units		\$	%	Units	Units	\$	
Vanguard Index Diversified Bond Fund	18,300,660	16,350,098	Australia	16,626,415	0.30	1,303,675	3,254,237	298,890	
Vanguard LifeStrategy® Conservative Fund	8,553,972	7,889,907	Australia	8,023,246	0.15	755,988	1,420,053	146,069	
Vanguard LifeStrategy® Balanced Fund	23,465,620	23,211,285	Australia	23,603,557	0.43	2,778,796	3,033,131	420,278	
Vanguard LifeStrategy® Growth Fund	21,757,799	23,102,219	Australia	23,492,646	0.43	4,507,848	3,163,428	405,458	
Vanguard LifeStrategy® High Growth Fund	9,340,958	10,073,444	Australia	10,243,686	0.19	3,347,429	2,614,943	172,666	
Vanguard Conservative Index Fund	482,128,786	563,068,993	Australia	572,584,859	10.47	105,617,272	24,677,065	9,431,614	
Vanguard Balanced Index Fund	912,936,265	1,112,878,477	Australia	1,131,686,124	20.70	276,736,176	76,793,964	18,526,715	
Vanguard Growth Index Fund	585,022,822	747,984,599	Australia	760,625,539	13.91	225,723,275	62,761,498	12,219,980	
Vanguard High Growth Index Fund	136,520,590	181,940,614	Australia	185,015,411	3.38	60,454,952	15,034,928	2,970,437	
Vanguard Diversified Bond Index Fund	80,211,892	88,218,043	Australia	89,708,928	1.64	18,330,501	10,324,350	1,481,534	

Notes to the financial statements (continued)

For the year ended 30 June 2023

16 Related party transactions (continued)

Related party unitholdings (continued)

Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)									
30 Jun 2023	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units		\$	%	Units	Units		\$
Vanguard Super ^{* 1}	-	4,311,633	Australia	3,422,574	4.07	4,613,026	301,393	37,206	

* This Fund did not hold units during the year ended 30 June 2022.

¹ Investments relate to AUD Hedged Class

Vanguard Global Aggregate Bond Index Fund (Hedged)									
30 Jun 2023	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units		\$	%	Units	Units		\$
Vanguard Index Diversified Bond Fund	45,497,149	41,403,776	Australia	33,789,621	0.48	1,545,236	5,638,609	630,244	
Vanguard LifeStrategy® Conservative Fund	21,881,673	20,357,929	Australia	16,614,105	0.24	1,223,520	2,747,264	309,994	
Vanguard LifeStrategy® Balanced Fund	64,877,090	65,255,850	Australia	53,255,299	0.76	4,156,937	3,778,177	955,655	
Vanguard LifeStrategy® Growth Fund	64,572,768	69,670,371	Australia	56,857,990	0.81	6,548,301	1,450,698	1,001,365	
Vanguard LifeStrategy® High Growth Fund	28,156,477	31,538,629	Australia	25,738,675	0.37	4,801,249	1,419,097	446,214	
Vanguard Conservative Index Fund	1,573,830,317	1,493,460,024	Australia	1,218,812,727	17.43	53,200,585	133,570,878	22,430,712	
Vanguard Balanced Index Fund	3,110,694,292	3,266,032,163	Australia	2,665,408,849	38.12	237,354,533	82,016,662	47,535,629	
Vanguard Growth Index Fund	2,090,821,460	2,369,836,482	Australia	1,934,023,554	27.66	326,554,348	47,539,326	33,715,601	
Vanguard High Growth Index Fund	508,597,541	642,650,485	Australia	524,467,061	7.50	180,923,580	46,870,636	8,838,144	
Vanguard Diversified Bond Index Fund	245,595,477	251,274,440	Australia	205,065,071	2.93	27,790,021	22,111,058	3,638,170	
Vanguard Super [*]	-	74,672,167	Australia	60,939,956	0.87	76,938,363	2,266,196	662,314	

* This Fund did not hold units during the year ended 30 June 2022.

Vanguard Global Aggregate Bond Index Fund (Hedged)									
30 Jun 2022	Number of units held opening	Number of units held closing	Country of Establishment and Principal Place of Business	Fair value of investments	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund	
Unitholder	Units	Units		\$	%	Units	Units		\$
Vanguard Index Diversified Bond Fund	51,340,890	45,497,149	Australia	38,549,735	0.57	2,127,704	7,971,445	594,764	
Vanguard LifeStrategy® Conservative Fund	24,014,907	21,881,673	Australia	18,540,341	0.28	1,214,589	3,347,823	289,453	
Vanguard LifeStrategy® Balanced Fund	66,093,757	64,877,090	Australia	54,970,358	0.82	9,212,868	10,429,535	837,219	
Vanguard LifeStrategy® Growth Fund	61,650,445	64,572,768	Australia	54,712,506	0.81	11,434,423	8,512,100	812,253	
Vanguard LifeStrategy® High Growth Fund	26,423,559	28,156,477	Australia	23,856,983	0.35	7,362,323	5,629,405	352,774	
Vanguard Conservative Index Fund	1,351,608,087	1,573,830,317	Australia	1,333,506,428	19.83	312,145,238	89,923,008	19,378,927	
Vanguard Balanced Index Fund	2,574,150,658	3,110,694,292	Australia	2,635,691,274	39.19	775,534,667	238,991,033	38,198,030	
Vanguard Growth Index Fund	1,641,797,760	2,090,821,460	Australia	1,771,553,023	26.34	663,699,535	214,675,835	25,416,017	
Vanguard High Growth Index Fund	383,709,032	508,597,541	Australia	430,934,696	6.41	171,762,256	46,873,747	6,094,157	
Vanguard Diversified Bond Index Fund	225,846,094	245,595,477	Australia	208,093,048	3.09	38,528,989	18,779,606	3,031,119	

Investments

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

The Funds did not hold any investments in other schemes managed by the Responsible Entity or its related parties.

Notes to the financial statements (continued)

For the year ended 30 June 2023

16 Related party transactions (continued)

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.

17 Responsible Entity's fees

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	1,111	2,250	506	1,567	919	2,116
Management costs per annum	0.29%	0.29%	0.19%	0.19%	0.15%	0.15%

	Vanguard Australian Corporate Fixed Interest Index Fund				Vanguard Australian Fixed Interest Index Fund			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	655	679	1,165	1,354	10,576	14,833	2,094	2,241
Management costs per annum	0.24%	0.24%	0.20%	0.20%	0.19%	0.19%	0.10%	0.15%

	Vanguard Australian Government Bond Index Fund				Vanguard Global Aggregate Bond Index Fund (Hedged)			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	1,375	1,563	1,616	1,090	16,682	17,549	1,237	913
Management costs per annum	0.24%	0.24%	0.20%	0.20%	0.24%	0.24%	0.20%	0.20%

	Vanguard International Credit Securities Index Fund (Hedged)				Vanguard International Fixed Interest Index Fund (Hedged)			
	Wholesale Class		ETF Class		Wholesale Class		ETF Class	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	1,085	1,443	525	612	3,120	3,771	1,405	1,272
Management costs per annum	0.32%	0.32%	0.30%	0.30%	0.26%	0.26%	0.20%	0.20%

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)					
	ETF Class		AUD Hedged Class		NZD Hedged Class	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees incurred by the Funds	178	198	173	509	3,130	3,229
Management costs per annum	0.26%	0.26%	0.28%	0.28%	0.28%	0.28%

Notes to the financial statements (continued)

For the year ended 30 June 2023

18 Interest income

The following table details the interest income earned by the Funds during the year:

	2023			2022		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$'000	\$'000	%	\$'000	\$'000	%
Vanguard Australian Inflation-Linked Bond Index Fund						
Fixed interest securities - domestic	383,275	6,737	1.76%	748,047	12,158	1.63%
Vanguard Short Term Fixed Interest Fund						
Fixed interest securities - domestic	263,029	5,001	1.90%	786,913	14,552	1.85%
Vanguard Cash Reserve Fund						
Fixed interest securities - domestic	568,530	16,734	2.94%	1,068,088	11,494	1.08%
Vanguard Australian Corporate Fixed Interest Index Fund						
Fixed interest securities - domestic	851,900	30,080	3.53%	898,865	28,156	3.13%
Vanguard Australian Fixed Interest Index Fund						
Fixed interest securities - domestic	7,111,185	203,408	2.86%	8,504,000	234,126	2.75%
Vanguard Australian Government Bond Index Fund						
Fixed interest securities - domestic	1,401,243	37,848	2.70%	1,201,449	31,382	2.61%
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)						
Fixed interest securities - international	1,175,622	27,544	2.34%	1,380,322	22,760	1.65%
Vanguard Global Aggregate Bond Index Fund (Hedged)						
Fixed interest securities - international	7,544,969	176,776	2.34%	7,719,087	134,974	1.75%
Vanguard International Credit Securities Index Fund (Hedged)						
Fixed interest securities - international	509,578	15,715	3.08%	637,554	16,324	2.56%
Vanguard International Fixed Interest Index Fund (Hedged)						
Fixed interest securities - international	1,911,081	33,415	1.75%	2,052,153	27,310	1.33%

Interest revenue is recognised on an entitlements basis, and is shown in the income statement as part of net gains/losses on financial instruments designated at fair value. This is due to the discount securities and fixed interest securities being classified as financial instruments designated at fair value through profit or loss upon initial recognition, as detailed in note 2(b).

19 Securities Collateral

The aggregate amount of securities provided as collateral under agreement with the counterparty are set out below:

	30 Jun 2023	30 Jun 2022
	Carrying amount of transferred assets	Carrying amount of transferred assets
	\$'000	\$'000
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	7,135	39,513
Vanguard Global Aggregate Bond Index Fund (Hedged)	18,539	243,360
Vanguard International Credit Securities Index Fund (Hedged)	4,704	16,783
Vanguard International Fixed Interest Index Fund (Hedged)	890	50,172

20 Operating segments

Operating segments are reported in a manner consistent with internal reporting used by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors of the Responsible Entity. The Funds' investments are managed on a single portfolio basis in one operating segment, being investments in fixed interest securities, money market securities, derivatives and cash and cash equivalents, and performance is reviewed against the Funds' investment objective.

Notes to the financial statements (continued)

For the year ended 30 June 2023

21 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 2023 or on the results and cash flows of the Funds for the year ended on that date.

22 Contingent assets, contingent liabilities and commitments

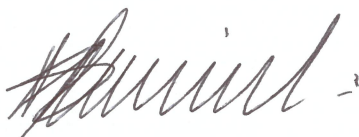
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2023 (30 June 2022: Nil).

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 10 to 74 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 2023 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.



Daniel Shrimski
Managing Director, Vanguard Investments Australia Ltd
Melbourne
13 September 2023



Independent auditor's report

To the unitholders of:

- Vanguard Short Term Fixed Interest Fund
- Vanguard Cash Reserve Fund
- Vanguard Australian Corporate Fixed Interest Index Fund*
- Vanguard Australian Fixed Interest Index Fund*
- Vanguard Australian Government Bond Index Fund*
- Vanguard Australian Inflation-Linked Bond Index Fund
- Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)*
- Vanguard Global Aggregate Bond Index Fund (Hedged)*
- Vanguard International Credit Securities Index Fund (Hedged)*
- Vanguard International Fixed Interest Index Fund (Hedged)*

referred to collectively as the Vanguard Wholesale Fixed Income Funds and ETFs.

*denotes listed Funds

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of the Vanguard Wholesale Fixed Income Funds and 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 2023 and of their financial performance for the year 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 2023
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 structure of the Funds, the accounting processes and controls and the industry in which the Funds operate.



Materiality

- For the purpose of our audit for:
 - Vanguard Cash Reserve Fund, we used approximately 2.5% of the Fund's net assets to set our overall materiality
 - all the other Funds, 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 is most commonly measured and is a generally accepted benchmark.
- We utilised 1% or 2.5% as the thresholds based on our professional judgement, noting these are within the range of commonly acceptable thresholds.

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 matter was 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 this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Investments in financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss <i>Refer to note 2 (Summary of significant accounting policies) and note 4 (Fair value measurement)</i></p> <p>At 30 June 2023, investments in financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss comprised primarily of investments in fixed interest securities, money market securities and derivatives.</p> <p>Investments in financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss was a key audit matter because investments represent the principal element of the balance sheet. A discrepancy in the valuation or</p>	<p>To assess the design and operating effectiveness of the service providers' relevant controls, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • 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 those service providers, and that included an audit opinion from the service provider audit 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 service provider's auditor on the design and operating



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>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.</p>	<p>effectiveness of controls, to the extent relevant to our audit of the Funds.</p> <p>We inspected an audit report issued by the third-party service provider's auditor on the valuation and existence of the Funds' investments as at balance sheet date. We compared the value of the investments at 30 June 2023 as recorded in the Funds' financial report and underlying accounting records to this report.</p> <p>For investments not held in custody at the custodian, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none">• For a sample of collateral and forward currency contracts held at year end, we obtained confirmation from the counterparties at year end and compared the confirmed balances to the Funds' accounting records.• We obtained the trade ticket for repurchase agreements and compared the loan amounts to the Funds' accounting records.• We compared the loan amounts for repurchase agreements to cash settlement after year end.

Other information

The directors of the Responsible Entity (the directors) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, 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 through our opinion on the financial report.

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 for the financial report

The directors 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 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 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 either intend 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:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf, for the listed funds and

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf, for the unlisted funds. These descriptions form part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Adrian Gut' in a cursive script.

Adrian Gut
Partner

Melbourne
13 September 2023

Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFSL 227263) ("Vanguard") is the product issuer and Responsible Entity of the interests in the Vanguard Wholesale Funds and Australian ETFs. Interests in the Vanguard Wholesale Funds are offered through a Product Disclosure Statement ("PDS") only. Vanguard ETFs will only be issued to Authorised Participants. That is, persons who have entered into an Authorised Participant Agreement with Vanguard ("Eligible Investors"). Retail investors can transact in Vanguard ETFs through a stockbroker or financial adviser on the secondary market. You can access the relevant PDS at www.vanguard.com.au or by calling 1300 655 102.

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