

Product Disclosure Statement update and continuous disclosure notice

for Vanguard MSCI Index International Shares (Hedged) ETF (VGAD)

28 June 2024

Vanguard Investments Australia Ltd will adopt the taxation of financial arrangements (TOFA) hedging election for the Vanguard ETF:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard MSCI Index International Shares (Hedged) ETF	VGAD	Product Disclosure Statement update and continuous disclosure notice regarding Taxation of Financial Arrangements (TOFA).

Taxation of financial arrangements (TOFA)

Financial arrangements of a fund may be subject to the TOFA rules. Under the TOFA rules, gains and losses on financial arrangements are generally assessed for tax purposes on an accruals basis (where the gains and losses are sufficiently certain) or a realisation basis, unless a specific elective method under the TOFA rules is adopted.

Specifically, there is a hedging financial arrangement method election under the TOFA rules (TOFA hedging election) that is intended to reduce tax mismatches by aligning the character and the timing of realisation of hedge gains and losses to be consistent with the tax treatment of the underlying assets being hedged.

Applying the TOFA hedging election is intended to reduce volatility in the attributable income from VGAD, and will likely result in a more consistent distribution.

When does this take effect?

This measure will come into effect from 1 July 2024.

Will this increase fees and costs for investors? If so, by how much?

Yes, the adoption of the TOFA hedging election incurs accounting and record keeping costs that will be paid for by VGAD as a recoverable expense. The impact of the expenses is estimated to be approximately 0.01% p.a. of the NAV of the ETF.

Information about Vanguard's current fees and costs and a copy of the PDS dated 28 June 2024 are available on our website at www.vanguard.com.au.

Further Information

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

Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) ("Vanguard") is the issuer of the Vanguard® Australian ETFs, and is a wholly owned subsidiary of The Vanguard Group, Inc. based in the US. All rights reserved.

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

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 Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the 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 this ETF 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 omission

© 2024 Vanguard Investments Australia Ltd. All rights reserved.