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Interim Report

for the Vanguard® Exchange Traded Funds

13 March 2024

Vanguard Investments Australia Ltd announces the following:

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

Vanguard has prepared an interim report for the half year ended 31 December 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 interim 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.

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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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Vanguard Investments Australia Ltd, Level 13, 130 Lonsdale Street, Melbourne VIC 3000 vanguard.com.au 1300 655 888

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Interim report for the period ended 31 December 2023

Vanguard Wholesale Fixed Income Funds and ETFs

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Responsible Entity

Vanguard Investments Australia Ltd.
ABN 72 072 881 086
AFSL 227263

Level 13
130 Lonsdale Street
Melbourne VIC 3000
Australia

Telephone: (03) 8888 3888
Facsimile: 1300 765 712

vanguard.com.au

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, The Vanguard Group, Inc. ("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 AUD \$12.6 trillion in assets under management globally as of 31 December 2023, including AUD \$3.7 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, Inc., 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.

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Directors' report

The Responsible Entity of the Vanguard Wholesale Fixed Income Funds and ETFs (the "Funds") for the half-year ended 31 December 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 half-year ended 31 December 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 half-year.

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

Directors

The following persons held office as directors of the Responsible Entity during the half-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	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	16,355	5,381	6,086	3,753	11,619	7,132	36,509	8,201
Distributions - Wholesale Class								
Distribution paid and payable (\$'000)	1,726	-	4,768	2,475	10,727	6,727	2,869	535
Distribution (cents per unit)	0.5695	-	2.0978	0.9044	2.0629	1.1153	1.5035	0.1869
Distributions - ETF Class								
Distribution paid and payable (\$'000)	-	-	-	-	-	-	9,498	1,150
Distribution (cents per unit)	-	-	-	-	-	-	72.7920	9.8837

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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)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	249,420	(26,209)	52,293	(9,705)	36,552	(13,376)
Distributions - Wholesale Class						
Distribution paid and payable (\$'000)	67,090	20,178	7,776	-	-	-
Distribution (cents per unit)	1.2162	0.3764	1.1472	-	-	-
Distributions - ETF Class						
Distribution paid and payable (\$'000)	21,502	5,728	11,546	-	673	439
Distribution (cents per unit)	53.0220	16.9180	52.7619	-	39.2969	29.1761
Distributions - AUD Hedged Class						
Distribution paid and payable (\$'000)	-	-	-	-	814	392
Distribution (cents per unit)	-	-	-	-	0.7066	0.5289
Distributions - NZD Hedged Class						
Distribution paid and payable (\$'000)	-	-	-	-	6,254	8,219
Distribution (cents per unit)	-	-	-	-	0.6802	0.5114

	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	254,027	(299,220)	23,454	(13,482)	58,187	(81,516)
Distributions - Wholesale Class						
Distribution paid and payable (\$'000)	70,166	52,837	4,496	3,706	9,607	6,014
Distribution (cents per unit)	0.8011	0.6320	1.1092	1.0145	0.6450	0.4771
Distributions - ETF Class						
Distribution paid and payable (\$'000)	8,594	4,382	1,778	1,909	6,531	3,408
Distribution (cents per unit)	34.1596	30.3725	45.4173	41.7618	31.6325	19.0471

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 for six months period 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.

	31 Dec 2023	31 Dec 2022
	%	%
Vanguard Australian Inflation-Linked Bond Index Fund		
Capital growth	4.59	1.83
Distribution of income	0.51	-
Total return	5.10	1.83
Benchmark		
<i>Bloomberg AusBond Inflation Treasury 1+ Yr Index</i>	5.23	1.89

Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Short Term Fixed Interest Fund		
Capital growth	0.56	0.46
Distribution of income	2.09	0.90
Total return	2.65	1.36
Benchmark		
<i>Bloomberg AusBond Bank Bill Index</i>	2.15	1.17

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Cash Reserve Fund		
Capital growth	0.11	0.07
Distribution of income	2.08	1.12
Total return	2.19	1.19
Benchmark		
<i>Bloomberg AusBond Bank Bill Index</i>	2.15	1.17

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Australian Corporate Fixed Interest Index Fund - Wholesale Class		
Capital growth	2.86	0.81
Distribution of income	1.52	0.19
Total return	4.38	1.00
Benchmark		
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	4.47	1.05

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Australian Corporate Fixed Interest Index Fund - ETF Class		
Capital growth	2.89	0.82
Distribution of income	1.51	0.21
Total return	4.40	1.03
Benchmark		
<i>Bloomberg AusBond Credit 0+ Yr Index</i>	4.47	1.05

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Australian Fixed Interest Index Fund - Wholesale Class		
Capital growth	2.20	(0.72)
Distribution of income	1.21	0.37
Total return	3.41	(0.35)
Benchmark		
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	3.49	(0.27)

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Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Australian Fixed Interest Index Fund - ETF Class		
Capital growth	2.24	(0.70)
Distribution of income	1.22	0.38
Total return	3.46	(0.32)
Benchmark		
<i>Bloomberg AusBond Composite 0+ Yr Index</i>	3.49	(0.27)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Australian Government Bond Index Fund - Wholesale Class		
Capital growth	2.06	(0.63)
Distribution of income	1.23	-
Total return	3.29	(0.63)
Benchmark		
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	3.37	(0.53)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Australian Government Bond Index Fund - ETF Class		
Capital growth	2.13	(0.61)
Distribution of income	1.17	-
Total return	3.30	(0.61)
Benchmark		
<i>Bloomberg AusBond Govt 0+ Yr Index</i>	3.37	(0.53)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - ETF Class		
Capital growth	2.11	(4.68)
Distribution of income	0.96	0.67
Total return	3.07	(4.01)
Benchmark		
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index hedged into Australian dollars (AUD) (Index)</i>	3.23	(3.79)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - AUD Hedged Class		
Capital growth	2.17	(4.64)
Distribution of income	0.91	0.64
Total return	3.08	(4.00)
Benchmark		
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index hedged into Australian dollars (AUD) (Index)</i>	3.23	(3.79)

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Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged) - NZD Hedged Class		
Capital growth	2.72	(4.45)
Distribution of income	0.91	0.66
Total return	3.63	(3.79)
Benchmark		
<i>Bloomberg MSCI Global Aggregate SRI Exclusions Float Adjusted Index hedged into New Zealand dollars (NZD) (Index)</i>	3.82	(3.55)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Global Aggregate Bond Index Fund (Hedged) - Wholesale Class		
Capital growth	2.15	(4.67)
Distribution of income	1.00	0.75
Total return	3.15	(3.92)
Benchmark		
<i>Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars</i>	3.32	(3.70)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Global Aggregate Bond Index Fund (Hedged) - ETF Class		
Capital growth	2.33	(4.61)
Distribution of income	0.85	0.72
Total return	3.18	(3.89)
Benchmark		
<i>Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars</i>	3.32	(3.70)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard International Credit Securities Index Fund (Hedged) - Wholesale Class		
Capital growth	3.05	(3.84)
Distribution of income	1.26	1.09
Total return	4.31	(2.75)
Benchmark		
<i>Bloomberg Global Aggregate Corporate and Government-Related Scaled Index hedged into Australian dollars</i>	4.47	(2.53)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard International Credit Securities Index Fund (Hedged) - ETF Class		
Capital growth	3.07	(3.84)
Distribution of income	1.25	1.09
Total return	4.32	(2.75)
Benchmark		
<i>Bloomberg Global Aggregate Corporate and Government-Related Scaled Index hedged into Australian dollars</i>	4.47	(2.53)

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Directors' report (continued)

Review and results of operations (continued)

Performance (continued)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard International Fixed Interest Index Fund (Hedged) - Wholesale Class		
Capital growth	1.74	(4.83)
Distribution of income	0.71	0.49
Total return	2.45	(4.34)
Benchmark		
<i>Bloomberg Global Treasury Scaled Index hedged into AUD</i>	2.57	(4.14)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard International Fixed Interest Index Fund (Hedged) - ETF Class		
Capital growth	1.63	(4.78)
Distribution of income	0.85	0.48
Total return	2.48	(4.30)
Benchmark		
<i>Bloomberg Global Treasury Scaled Index hedged into AUD</i>	2.57	(4.14)

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

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 half-year.

Matters subsequent to the end of the half-year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the state of affairs of the Funds in future financial periods.

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.

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Directors' report (continued)

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 March 2024

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Auditor's Independence Declaration

- 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*
- 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 review of the Vanguard Wholesale Fixed Income Funds and ETFs for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Adrian Gut', is written over a thin horizontal line.

Adrian Gut
Partner
PricewaterhouseCoopers

Melbourne
13 March 2024

Statements of comprehensive income

For the half-year ended 31 December 2023

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income								
Interest income	9	5	10	4	29	38	10	28
Net gains/(losses) on financial instruments at fair value through profit or loss	16,882	5,923	6,308	4,022	12,009	7,567	37,377	9,003
Other operating income	-	5	-	-	-	13	27	86
Total net investment income/(loss)	16,891	5,933	6,318	4,026	12,038	7,618	37,414	9,117
Expenses								
Responsible Entity's fees	529	550	223	268	403	458	890	908
Custody fees	2	2	5	4	7	6	10	5
Transaction costs	-	-	1	1	1	2	2	2
Other operating expenses	5	-	3	-	8	20	3	1
Total operating expenses	536	552	232	273	419	486	905	916
Operating profit/(loss)	16,355	5,381	6,086	3,753	11,619	7,132	36,509	8,201
Finance costs attributable to unitholders								
Distributions to unitholders	5	-	-	-	-	-	(12,367)	(1,685)
(Increase)/decrease in net assets attributable to unitholders	4	-	-	-	-	-	(24,142)	(6,516)
Profit/(loss) for the half-year	16,355	5,381	6,086	3,753	11,619	7,132	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the half-year	16,355	5,381	6,086	3,753	11,619	7,132	-	-

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

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Statements of comprehensive income (continued)

For the half-year ended 31 December 2023

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Interest income		81	56	173	28	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		255,528	(19,879)	53,824	(8,377)	37,900	(11,186)
Other operating income		224	29	140	110	24	23
Total net investment income/(loss)		255,833	(19,794)	54,137	(8,239)	37,924	(11,163)
Expenses							
Responsible Entity's fees		6,266	6,404	1,823	1,457	1,178	1,840
Custody fees		11	10	12	9	83	43
Transaction costs		1	1	-	-	3	7
Withholding tax expense		-	-	-	-	48	89
Other operating expenses		135	-	9	-	60	234
Total operating expenses		6,413	6,415	1,844	1,466	1,372	2,213
Operating profit/(loss)		249,420	(26,209)	52,293	(9,705)	36,552	(13,376)
Finance costs attributable to unitholders							
Distributions to unitholders	5	(88,592)	(25,906)	(19,322)	-	(7,741)	(9,050)
(Increase)/decrease in net assets attributable to unitholders	4	(160,828)	52,115	(32,971)	9,705	(28,811)	22,426
Profit/(loss) for the half-year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the half-year		-	-	-	-	-	-

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

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Statements of comprehensive income (continued)

For the half-year ended 31 December 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Net gains/(losses) on financial instruments at fair value through profit or loss		264,266	(289,173)	24,244	(12,684)	60,875	(79,077)
Other operating income		564	265	69	52	344	103
Total net investment income/(loss)		264,830	(288,908)	24,313	(12,632)	61,219	(78,974)
Expenses							
Responsible Entity's fees		9,425	8,846	800	804	2,622	2,208
Custody fees		52	38	31	32	36	16
Transaction costs		5	6	1	1	1	2
Withholding tax expense		438	569	1	5	83	121
Other operating expenses		883	853	26	8	290	195
Total operating expenses		10,803	10,312	859	850	3,032	2,542
Operating profit/(loss)		254,027	(299,220)	23,454	(13,482)	58,187	(81,516)
Finance costs attributable to unitholders							
Distributions to unitholders	5	(78,760)	(57,219)	(6,274)	(5,615)	(16,138)	(9,422)
(Increase)/decrease in net assets attributable to unitholders	4	(175,267)	356,439	(17,180)	19,097	(42,049)	90,938
Profit/(loss) for the half-year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the half-year		-	-	-	-	-	-

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

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Balance sheets

As at 31 December 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	
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents		612	1,645	378	2	1,488	2	2,398	964
Margin accounts		-	8	52	30	51	420	74	154
Receivables		692	1,132	282	164	1,662	2,447	96	317
Due from brokers - receivable for securities sold		370	350	-	-	-	-	4,914	9,218
Financial assets at fair value through profit or loss	3	354,871	385,630	225,817	240,269	522,183	627,746	854,759	852,585
Total assets		356,545	388,765	226,529	240,465	525,384	630,615	862,241	863,238
Liabilities									
Margin accounts		-	-	-	-	-	324	-	-
Distribution payable	5	1,411	1,414	851	504	2,224	2,242	7,184	3,417
Payables		227	106	299	354	344	5,712	184	5,515
Due to brokers - payable for securities purchased		869	2,292	-	-	-	-	1,777	1,561
Financial liabilities at fair value through profit or loss	3	-	-	-	-	-	-	76	7
Total liabilities		2,507	3,812	1,150	858	2,568	8,278	9,221	10,500
Net assets attributable to unitholders (equity)	4	354,038	384,953	225,379	239,607	522,816	622,337	-	-
Net assets attributable to unitholders (liability)	4	-	-	-	-	-	-	853,020	852,738

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		19,881	413	4,516	3,957	12,840	10,106
Margin accounts		-	2,984	-	670	233	1,189
Receivables		8,279	17,378	210	1,668	225	1,069
Due from brokers - receivable for securities sold		-	31,772	9,096	11,243	8,098	10,008
Financial assets at fair value through profit or loss	3	7,615,963	7,287,283	1,668,022	1,536,657	956,841	830,392
Total assets		7,644,123	7,339,830	1,681,844	1,554,195	978,237	852,764
Liabilities							
Margin accounts		-	2,504	-	621	34,845	5,526
Distribution payable	5	56,852	19,520	16,411	13,281	4,818	5,928
Payables		3,629	7,218	2,717	902	378	357
Due to brokers - payable for securities purchased		4,818	47,275	-	7,648	21,544	10,829
Financial liabilities at fair value through profit or loss	3	-	107,430	-	26,010	25,661	27,615
Total liabilities		65,299	183,947	19,128	48,462	87,246	50,255
Net assets attributable to unitholders (liability)	4	7,578,824	7,155,883	1,662,716	1,505,733	890,991	802,509

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

Balance sheets (continued)

As at 31 December 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		142,448	86,657	3,401	4,737	24,765	20,467
Margin accounts		2,434	32,956	279	373	-	12,899
Receivables		2,763	5,200	97	465	1,151	3,571
Due from brokers - receivable for securities sold		34,737	112,348	1,785	5,857	16,499	17,580
Financial assets at fair value through profit or loss	3	8,817,379	8,041,477	565,829	516,066	2,243,169	2,156,634
Total assets		8,999,761	8,278,638	571,391	527,498	2,285,584	2,211,151
Liabilities							
Margin accounts		183,910	112,606	12,232	400	49,310	23,810
Distribution payable	5	49,421	47,142	4,139	3,962	9,668	9,012
Payables		2,113	5,946	574	4,560	1,265	2,590
Due to brokers - payable for securities purchased		222,783	248,616	10,185	8,174	46,273	76,321
Financial liabilities at fair value through profit or loss	3	63,684	96,981	3,182	5,971	34,040	24,630
Total liabilities		521,911	511,291	30,312	23,067	140,556	136,363
Net assets attributable to unitholders (liability)	4	8,477,850	7,767,347	541,079	504,431	2,145,028	2,074,788

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

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Statements of changes in equity

For the half-year ended 31 December 2023

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the half-year	384,953	388,265	239,607	287,552	622,337	601,503	-	-
Comprehensive income for the half-year								
Profit/(loss) for the half-year	16,355	5,381	6,086	3,753	11,619	7,132	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the half-year	16,355	5,381	6,086	3,753	11,619	7,132	-	-
Transactions with unitholders								
Applications	24,084	39,713	45,705	36,456	116,863	66,232	-	-
Redemptions	(70,367)	(64,625)	(61,835)	(63,426)	(224,831)	(61,477)	-	-
Units issued upon reinvestment of distributions	739	-	584	222	7,555	4,055	-	-
Distributions paid and payable	5 (1,726)	-	(4,768)	(2,475)	(10,727)	(6,727)	-	-
Total transactions with unitholders	(47,270)	(24,912)	(20,314)	(29,223)	(111,140)	2,083	-	-
Total equity at the end of the half-year	4 354,038	368,734	225,379	262,082	522,816	610,718	-	-

	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the half-year			-	-	-	-
Comprehensive income for the half-year						
Profit/(loss) for the half-year			-	-	-	-
Other comprehensive income			-	-	-	-
Total comprehensive income for the half-year			-	-	-	-
Transactions with unitholders						
Applications			-	-	-	-
Redemptions			-	-	-	-
Units issued upon reinvestment of distributions			-	-	-	-
Distributions paid and payable	5		-	-	-	-
Total transactions with unitholders			-	-	-	-
Total equity at the end of the half-year	4		-	-	-	-

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

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Statements of changes in equity (continued)

For the half-year ended 31 December 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the half-year		-	-	-	-	-	-
Comprehensive income for the half-year							
Profit/(loss) for the half-year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the half-year		-	-	-	-	-	-
Transactions with unitholders							
Applications		-	-	-	-	-	-
Redemptions		-	-	-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-	-	-
Distributions paid and payable	5	-	-	-	-	-	-
Total transactions with unitholders		-	-	-	-	-	-
Total equity at the end of the half-year	4	-	-	-	-	-	-

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

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Statements of cash flows

For the half-year ended 31 December 2023

	Vanguard Australian Inflation-Linked Bond Index Fund		Vanguard Short Term Fixed Interest Fund		Vanguard Cash Reserve Fund		Vanguard Australian Corporate Fixed Interest Index Fund	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Notes	\$'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	69,689	62,408	229,185	307,197	870,221	1,195,711	160,971	162,319
Purchases of financial instruments at fair value through profit or loss	(23,483)	(37,656)	(208,430)	(278,185)	(752,568)	(1,197,181)	(121,102)	(117,483)
Transaction costs on purchases of financial instruments at fair value through profit or loss	-	-	(1)	(1)	(1)	(2)	(2)	(2)
Interest received	9	5	10	4	29	38	10	28
Other income received	2	19	-	15	3	30	51	103
Responsible Entity's fees paid	(537)	(549)	(224)	(271)	(414)	(455)	(890)	(909)
Operating expenses paid	(7)	(2)	(8)	(29)	(15)	(78)	(13)	(6)
Net cash inflow/(outflow) from operating activities	45,673	24,225	20,532	28,730	117,255	(1,937)	39,025	44,050
Cash flows from financing activities								
Proceeds from applications by unitholders	24,522	39,706	33,570	36,475	114,001	65,582	45,603	63,794
Payments for redemptions by unitholders	(70,238)	(64,526)	(49,889)	(63,377)	(226,580)	(58,861)	(74,875)	(104,585)
Distributions paid from operating activities	(990)	-	(3,837)	(1,764)	(3,190)	(1,335)	(8,319)	(2,205)
Net cash inflow/(outflow) from financing activities	(46,706)	(24,820)	(20,156)	(28,666)	(115,769)	5,386	(37,591)	(42,996)
Net increase/(decrease) in cash and cash equivalents								
	(1,033)	(595)	376	64	1,486	3,449	1,434	1,054
Cash and cash equivalents at the beginning of the half-year	1,645	505	2	22	2	27	964	2,131
Cash and cash equivalents at the end of the half-year	612	(90)	378	86	1,488	3,476	2,398	3,185
Non-cash financing activities								
During the half-year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan	739	-	584	222	7,555	4,055	281	75
Receipt of promissory note in exchange of the Fund holdings in the corresponding Vanguard Wholesale Fund	2	-	12,000	-	-	-	-	-
Cancellation of promissory note upon redemption of the corresponding Vanguard Wholesale Fund's units in the Fund	2	-	(12,000)	-	-	-	-	-
Application settled through the exchange of units	2	-	-	-	3,608	-	-	-
Redemption settled through the exchange of units	2	-	-	-	(3,608)	-	-	-
Total non-cash financing activities	739	-	584	222	7,555	4,055	281	75

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

Statements of cash flows (continued)

For the half-year ended 31 December 2023

	Notes	Vanguard Australian Fixed Interest Index Fund		Vanguard Australian Government Bond Index Fund		Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 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		419,105	762,856	353,277	220,738	258,254	389,760
Purchases of financial instruments at fair value through profit or loss		(765,176)	(802,333)	(462,280)	(346,175)	(307,199)	(457,212)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(1)	(1)	-	-	(3)	(7)
Interest received		81	56	173	28	-	11
Other income received		230	45	140	105	24	34
Responsible Entity's fees paid		(6,201)	(6,341)	(1,787)	(1,420)	(1,148)	(1,818)
Operating expenses paid		(178)	(10)	(29)	(9)	(197)	(303)
Net cash inflow/(outflow) from operating activities		(352,140)	(45,728)	(110,506)	(126,733)	(50,269)	(69,535)
Cash flows from financing activities							
Proceeds from applications by unitholders		758,416	574,354	453,587	288,792	113,202	124,330
Payments for redemptions by unitholders		(360,793)	(509,779)	(329,675)	(161,909)	(59,545)	(37,702)
Distributions paid from operating activities		(26,015)	(7,720)	(12,847)	-	(1,996)	(2,385)
Net cash inflow/(outflow) from financing activities		371,608	56,855	111,065	126,883	51,661	84,243
Net increase/(decrease) in cash and cash equivalents		19,468	11,127	559	150	1,392	14,708
Cash and cash equivalents at the beginning of the half-year		413	15,312	3,957	3,159	10,106	11,306
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	-	-	1,342	(4,579)
Cash and cash equivalents at the end of the half-year		19,881	26,439	4,516	3,309	12,840	21,435
Non-cash financing activities							
During the half-year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan		25,245	8,402	3,345	-	6,855	8,002
Non cash redemption		(155,279)	-	-	-	-	-
Application settled through the exchange of units	2	76,341	-	-	-	-	-
Redemption settled through the exchange of units	2	(76,341)	-	-	-	-	-
Total non-cash financing activities		(130,034)	8,402	3,345	-	6,855	8,002

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

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Statements of cash flows (continued)

For the half-year ended 31 December 2023

	Notes	Vanguard Global Aggregate Bond Index Fund (Hedged)		Vanguard International Credit Securities Index Fund (Hedged)		Vanguard International Fixed Interest Index Fund (Hedged)	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 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		1,837,819	1,422,394	142,731	134,286	642,558	314,707
Purchases of financial instruments at fair value through profit or loss		(2,248,111)	(1,843,418)	(155,284)	(137,751)	(644,647)	(406,984)
Transaction costs on purchases of financial instruments at fair value through profit or loss		(5)	(6)	(1)	(1)	(1)	(2)
Interest received		-	-	-	1	-	-
Other income received		694	265	93	64	344	109
Responsible Entity's fees paid		(9,289)	(8,748)	(790)	(800)	(2,572)	(2,191)
Operating expenses paid		(1,287)	(1,573)	(48)	(40)	(416)	(273)
Net cash inflow/(outflow) from operating activities		(420,179)	(431,086)	(13,299)	(4,241)	(4,734)	(94,634)
Cash flows from financing activities							
Proceeds from applications by unitholders		704,446	692,404	75,012	63,183	455,241	311,997
Payments for redemptions by unitholders		(239,934)	(226,053)	(60,806)	(55,023)	(429,409)	(191,383)
Distributions paid from operating activities		(7,505)	(3,210)	(4,497)	(3,974)	(12,071)	(13,540)
Net cash inflow/(outflow) from financing activities		457,007	463,141	9,709	4,186	13,761	107,074
Net increase/(decrease) in cash and cash equivalents							
Cash and cash equivalents at the beginning of the half-year		86,657	100,201	4,737	5,336	20,467	8,401
Effects of foreign currency exchange rate changes on cash and cash equivalents		18,963	(1,063)	2,254	(242)	(4,729)	(7,248)
Cash and cash equivalents at the end of the half-year		142,448	131,193	3,401	5,039	24,765	13,593
Non-cash financing activities							
During the half-year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan		68,976	49,506	1,600	1,667	3,411	4,314
Application settled through the exchange of units	2	177,817	-	-	-	-	-
Redemption settled through the exchange of units	2	(177,817)	-	-	-	-	-
Total non-cash financing activities		68,976	49,506	1,600	1,667	3,411	4,314

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

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Notes to the financial statements

For the half-year ended 31 December 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 March 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Basis of preparation of interim report

These interim financial statements for the half-year ended 31 December 2023 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

This interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made in respect of the Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

New accounting standards or amendments adopted by the Funds

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2023 that would be expected to have a material impact on the Funds.

Significant related party transactions

At unitholder meetings held on 15 August 2023, the unitholders of each Vanguard Investor Fund approved the implementation of a proposal which involves unitholders exchanging their units in a Vanguard Investor Fund with units in a corresponding Vanguard Wholesale Fund to be held through the Vanguard Personal Investor platform.

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

2 Basis of preparation of interim report (continued)

Significant related party transactions (continued)

On 5 October 2023, the Responsible Entity executed the proposal for each Vanguard Investor Fund through a process where each unitholder exchanged their units in the Vanguard Investor Fund with units of equivalent value in the corresponding Vanguard Wholesale Fund, to be held through the Vanguard Personal Investor platform (or redeemed in the case of foreign residents and small balance account holders). Following these steps, each corresponding Vanguard Wholesale Fund held units in the applicable Vanguard Investor Fund (that had been transferred from unitholders) and each Vanguard Investor Fund continued to hold units in the corresponding Vanguard Wholesale Fund, or in the case of the Vanguard Investor Funds that are diversified funds, units in the relevant underlying funds.

In order to terminate the units in each Vanguard Investor Fund that had been acquired by the corresponding Vanguard Wholesale Fund, each Vanguard Investor Fund then redeemed their units in the corresponding Vanguard Wholesale Fund at the applicable unit price, or in the case of the Vanguard Investor Funds that are diversified funds, transferred their investments to the corresponding Vanguard Wholesale Fund. To satisfy the redemption or transfer of investments, the corresponding Vanguard Wholesale Fund issued a promissory note to the applicable Vanguard Investor Fund equal to the value of the units redeemed or investments transferred. After this, each corresponding Vanguard Wholesale Fund redeemed their units in the applicable Vanguard Investor Fund. This redemption was satisfied by the promissory note being indorsed back to the corresponding Vanguard Wholesale Fund, upon which the promissory note was cancelled.

As a result, the statements of cash flows of Vanguard Short Term Fixed Interest Fund, Vanguard Cash Reserve Fund, Vanguard Australian Fixed Interest Index Fund and Vanguard Global Aggregate Bond Index Fund (Hedged) reflect the implementation of the proposal.

3 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)
- Derivative financial instruments

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

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

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

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

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

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

(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.

Notes to the financial statements (continued)

For the half-year ended 31 December 2023

3 Fair value measurement (continued)

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

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 31 December 2023 and 30 June 2023.

	Vanguard Australian Inflation-Linked Bond Index Fund							
	31 Dec 2023				30 Jun 2023			
	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	-	354,871	-	354,871	-	385,630	-	385,630
Total	-	354,871	-	354,871	-	385,630	-	385,630

	Vanguard Short Term Fixed Interest Fund							
	31 Dec 2023				30 Jun 2023			
	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	15	-	-	15	-	-	-	-
Fixed interest securities*	-	174,717	-	174,717	-	146,613	-	146,613
Money market securities	-	51,085	-	51,085	-	93,656	-	93,656
Total	15	225,802	-	225,817	-	240,269	-	240,269

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

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

3 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Cash Reserve Fund							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Fixed interest securities*	-	378,089	-	378,089	-	434,180	-	434,180
Money market securities	-	144,094	-	144,094	-	193,566	-	193,566
Total	-	522,183	-	522,183	-	627,746	-	627,746

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

	Vanguard Australian Corporate Fixed Interest Index Fund							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Derivatives	57	-	-	57	19	-	-	19
Fixed interest securities*	-	851,890	-	851,890	-	849,429	-	849,429
Money market securities	-	2,812	-	2,812	-	3,137	-	3,137
Total	57	854,702	-	854,759	19	852,566	-	852,585

Financial liabilities at fair value through profit or loss

Derivatives	76	-	-	76	7	-	-	7
Total	76	-	-	76	7	-	-	7

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

	Vanguard Australian Fixed Interest Index Fund							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Fixed interest securities*	-	7,612,387	-	7,612,387	-	7,283,790	-	7,283,790
Money market securities	-	3,576	-	3,576	-	3,493	-	3,493
Total	-	7,615,963	-	7,615,963	-	7,287,283	-	7,287,283

Financial liabilities at fair value through profit or loss

Fixed interest securities*	-	-	-	-	-	107,430	-	107,430
Total	-	-	-	-	-	107,430	-	107,430

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

	Vanguard Australian Government Bond Index Fund							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Fixed interest securities*	-	1,668,022	-	1,668,022	-	1,536,657	-	1,536,657
Total	-	1,668,022	-	1,668,022	-	1,536,657	-	1,536,657
Financial liabilities at fair value through profit or loss								
Fixed interest securities*	-	-	-	-	-	26,010	-	26,010
Total	-	-	-	-	-	26,010	-	26,010

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

Notes to the financial statements (continued)

For the half-year ended 31 December 2023

3 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Derivatives	284	40,209	-	40,493	10	35,491	-	35,501
Fixed interest securities*	-	916,348	-	916,348	-	794,891	-	794,891
Total	284	956,557	-	956,841	10	830,382	-	830,392
Financial liabilities at fair value through profit or loss								
Derivatives	31	25,576	-	25,607	109	27,384	-	27,493
Fixed interest securities	-	54	-	54	-	122	-	122
Total	31	25,630	-	25,661	109	27,506	-	27,615

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

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Derivatives	479	226,499	-	226,978	9	228,662	-	228,671
Fixed interest securities*	-	8,590,401	-	8,590,401	-	7,812,806	-	7,812,806
Total	479	8,816,900	-	8,817,379	9	8,041,468	-	8,041,477
Financial liabilities at fair value through profit or loss								
Derivatives	44	63,005	-	63,049	31	90,960	-	90,991
Fixed interest securities	-	635	-	635	-	5,990	-	5,990
Total	44	63,640	-	63,684	31	96,950	-	96,981

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

	Vanguard International Credit Securities Index Fund (Hedged)							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Derivatives	11	14,018	-	14,029	63	14,202	-	14,265
Fixed interest securities*	-	551,800	-	551,800	-	501,801	-	501,801
Total	11	565,818	-	565,829	63	516,003	-	516,066
Financial liabilities at fair value through profit or loss								
Derivatives	81	3,085	-	3,166	52	5,903	-	5,955
Fixed interest securities	-	16	-	16	-	16	-	16
Total	81	3,101	-	3,182	52	5,919	-	5,971

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

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

3 Fair value measurement (continued)

Recognised fair value measurements (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)							
	31 Dec 2023				30 Jun 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Derivatives	-	64,645	-	64,645	-	73,225	-	73,225
Fixed interest securities*	-	2,178,524	-	2,178,524	-	2,083,409	-	2,083,409
Total	-	2,243,169	-	2,243,169	-	2,156,634	-	2,156,634
Financial liabilities at fair value through profit or loss								
Derivatives	-	34,040	-	34,040	-	24,630	-	24,630
Total	-	34,040	-	34,040	-	24,630	-	24,630

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

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 31 December 2023.

Transfers between levels

There were no transfers between the levels of the fair value hierarchy for the half-year ended 31 December 2023 (30 June 2023: Nil).

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

Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

4 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.

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.

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

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	337,658	357,956	384,953	388,265	236,560	285,592	239,607	287,552
Applications	20,719	36,042	24,084	39,713	44,882	36,101	45,705	36,456
Redemptions	(62,194)	(58,846)	(70,367)	(64,625)	(60,745)	(62,807)	(61,835)	(63,426)
Units issued upon reinvestment of distributions	647	-	739	-	575	220	584	222
Distributions paid and payable	-	-	(1,726)	-	-	-	(4,768)	(2,475)
Profit/(loss) for the half-year	-	-	16,355	5,381	-	-	6,086	3,753
Closing balance as at 31 December	296,830	335,152	354,038	368,734	221,272	259,106	225,379	262,082

	Vanguard Cash Reserve Fund			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	621,886	600,579	622,337	601,503
Applications	116,452	66,049	116,863	66,232
Redemptions	(224,076)	(61,281)	(224,831)	(61,477)
Units issued upon reinvestment of distributions	7,544	4,047	7,555	4,055
Distributions paid and payable	-	-	(10,727)	(6,727)
Profit/(loss) for the half-year	-	-	11,619	7,132
Closing balance as at 31 December	521,806	609,394	522,816	610,718

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000	
Balance as at 1 July	227,570	304,007	227,988	297,805	12,856	11,793	624,750	560,326
Applications	30,029	32,604	30,392	32,278	304	660	15,011	31,788
Redemptions	(67,369)	(73,243)	(68,068)	(72,101)	(30)	(685)	(1,476)	(32,592)
Units issued upon reinvestment of distributions	96	25	97	24	4	1	184	51
Increase/(decrease) in net assets attributable to unitholders	-	-	5,763	1,905	-	-	18,379	4,611
Closing balance as at 31 December	190,326	263,393	196,172	259,911	13,134	11,769	656,848	564,184

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

4 Net assets attributable to unitholders (continued)

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	5,457,470	5,377,226	5,560,868	5,467,045	35,984	31,678	1,595,015	1,400,890
Applications	578,595	415,779	590,817	426,748	5,275	2,890	234,842	129,021
Redemptions	(572,751)	(418,516)	(582,587)	(427,293)	(140)	(450)	(6,204)	(19,807)
Units issued upon reinvestment of distributions	23,758	7,998	24,110	8,063	26	8	1,135	339
Increase/(decrease) in net assets attributable to unitholders	-	-	120,825	(40,441)	-	-	40,003	(11,674)
Closing balance as at 31 December	5,487,072	5,382,487	5,714,033	5,434,122	41,145	34,126	1,864,791	1,498,769

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	628,992	636,082	592,946	600,720	20,170	13,750	912,787	623,066
Applications	297,955	68,325	281,145	65,169	3,765	4,810	170,976	220,985
Redemptions	(247,363)	(141,424)	(232,840)	(135,282)	(2,180)	(575)	(98,614)	(26,355)
Units issued upon reinvestment of distributions	3,125	-	2,941	-	9	-	404	-
Increase/(decrease) in net assets attributable to unitholders	-	-	12,606	(2,395)	-	-	20,365	(7,310)
Closing balance as at 31 December	682,709	562,983	656,798	528,212	21,764	17,985	1,005,918	810,386

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,929	1,332	80,612	52,877	106,054	60,795	84,220	45,775
Applications	25	245	1,047	10,191	23,048	21,001	18,194	17,011
Redemptions	(365)	-	(14,953)	-	(12,505)	(4,689)	(9,867)	(3,778)
Units issued upon reinvestment of distributions	1	1	45	25	103	253	81	209
Increase/(decrease) in net assets attributable to unitholders	-	-	1,102	(1,650)	-	-	2,052	(2,044)
Closing balance as at 31 December	1,590	1,578	67,853	61,443	116,700	77,360	94,680	57,173

	NZD Hedged Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000
	Balance as at 1 July	847,114	1,522,116	637,677
Applications	124,638	127,901	93,082	96,981
Redemptions	(46,250)	(44,144)	(34,687)	(33,856)
Units issued upon reinvestment of distributions	8,975	10,386	6,729	7,768
Increase/(decrease) in net assets attributable to unitholders	-	-	25,657	(18,732)
Closing balance as at 31 December	934,477	1,616,259	728,458	1,223,897

Notes to the financial statements (continued)

For the half-year ended 31 December 2023

4 Net assets attributable to unitholders (continued)

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	8,568,580	7,936,955	6,986,962	6,727,026	19,069	11,099	780,385	471,653
Applications	610,803	600,419	490,182	502,598	9,410	4,585	389,775	190,074
Redemptions	(512,003)	(158,316)	(407,182)	(129,985)	(160)	(65)	(6,515)	(2,709)
Units issued upon reinvestment of distributions	82,953	57,961	66,927	48,281	51	30	2,049	1,225
Increase/(decrease) in net assets attributable to unitholders	-	-	152,877	(330,519)	-	-	22,390	(25,920)
Closing balance as at 31 December	8,750,333	8,437,019	7,289,766	6,817,401	28,370	15,649	1,188,084	634,323

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	370,373	347,859	333,923	323,795	4,570	4,890	170,508	188,264
Applications	78,996	58,010	70,065	53,131	125	150	4,605	5,791
Redemptions	(31,305)	(39,530)	(28,054)	(36,365)	(770)	(485)	(28,748)	(18,951)
Units issued upon reinvestment of distributions	1,695	1,732	1,516	1,589	2	2	84	78
Increase/(decrease) in net assets attributable to unitholders	-	-	12,589	(12,658)	-	-	4,591	(6,439)
Closing balance as at 31 December	419,759	368,071	390,039	329,492	3,927	4,557	151,040	168,743

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	1,368,728	1,238,035	1,270,496	1,191,258	21,015	15,588	804,292	617,924
Applications	305,480	197,751	280,228	187,461	4,575	3,250	172,592	125,504
Redemptions	(187,339)	(187,734)	(170,860)	(177,288)	(6,630)	(270)	(257,180)	(10,334)
Units issued upon reinvestment of distributions	3,473	4,205	3,188	4,018	6	7	223	296
Increase/(decrease) in net assets attributable to unitholders	-	-	24,271	(58,667)	-	-	17,778	(32,271)
Closing balance as at 31 December	1,490,342	1,252,257	1,407,323	1,146,782	18,966	18,575	737,705	701,119

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.

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

5 Distributions to unitholders paid and payable

The distributions during the half-year were as follows:

	Vanguard Australian Inflation-Linked Bond Index Fund				Vanguard Short Term Fixed Interest Fund			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 31 July	-	-	-	-	719	0.3071	251	0.0881
- 31 August	-	-	-	-	816	0.3534	422	0.1491
- 30 September	315	0.0942	-	-	720	0.3173	486	0.1729
- 31 October	-	-	-	-	880	0.3879	454	0.1654
- 30 November	-	-	-	-	782	0.3474	373	0.1403
Distributions payable								
- 31 December	1,411	0.4753	-	-	851	0.3847	489	0.1886
	1,726	0.5695	-	-	4,768	2.0978	2,475	0.9044

	Vanguard Cash Reserve Fund			
	31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 31 July	1,771	0.3367	539	0.0892
- 31 August	1,891	0.3614	995	0.1643
- 30 September	1,815	0.3506	1,090	0.1842
- 31 October	1,522	0.2954	1,233	0.2068
- 30 November	1,504	0.2925	1,400	0.2295
Distributions payable				
- 31 December	2,224	0.4263	1,470	0.2413
	10,727	2.0629	6,727	1.1153

	Vanguard Australian Corporate Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	1,207	0.6305	535	0.1869	3,976	30.8098	1,150	9.8837
Distributions payable								
- 31 December	1,662	0.8730	-	-	5,522	41.9822	-	-
	2,869	1.5035	535	0.1869	9,498	72.7920	1,150	9.8837

	Vanguard Australian Fixed Interest Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU	
Distributions paid								
- 30 September	24,174	0.4341	12,676	0.2370	7,566	19.3543	3,446	10.4733
Distributions payable								
- 31 December	42,916	0.7821	7,502	0.1394	13,936	33.6677	2,282	6.4447
	67,090	1.2162	20,178	0.3764	21,502	53.0220	5,728	16.9180

Notes to the financial statements (continued)

For the half-year ended 31 December 2023

5 Distributions to unitholders paid and payable (continued)

	Vanguard Australian Government Bond Index Fund							
	Wholesale Class				ETF Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,320	0.2016	-	-	1,591	7.1456	-	-
Distributions payable								
- 31 December	6,456	0.9456	-	-	9,955	45.6163	-	-
	7,776	1.1472	-	-	11,546	52.7619	-	-

	Vanguard Ethically Conscious Global Aggregate Bond Index Fund (Hedged)							
	ETF Class				AUD Hedged Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	286	15.2281	140	10.4955	312	0.2764	132	0.1930
Distributions payable								
- 31 December	387	24.0688	299	18.6806	502	0.4302	260	0.3359
	673	39.2969	439	29.1761	814	0.7066	392	0.5289

					NZD Hedged Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September					2,325	0.2598	2,828	0.1779
Distributions payable								
- 31 December					3,929	0.4204	5,391	0.3335
					6,254	0.6802	8,219	0.5114

	Vanguard Global Aggregate Bond Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	26,273	0.2995	18,580	0.2260	3,066	14.7165	1,317	10.8541
Distributions payable								
- 31 December	43,893	0.5016	34,257	0.4060	5,528	19.4431	3,065	19.5184
	70,166	0.8011	52,837	0.6320	8,594	34.1596	4,382	30.3725

	Vanguard International Credit Securities Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	1,510	0.3979	1,229	0.3415	625	16.1522	649	14.2369
Distributions payable								
- 31 December	2,986	0.7113	2,477	0.6730	1,153	29.2651	1,260	27.5249
	4,496	1.1092	3,706	1.0145	1,778	45.4173	1,909	41.7618

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Notes to the financial statements (continued)

For the half-year ended 31 December 2023

5 Distributions to unitholders paid and payable (continued)

	Vanguard International Fixed Interest Index Fund (Hedged)							
	Wholesale Class				ETF Class			
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid								
- 30 September	3,926	0.2638	1,996	0.1562	2,544	10.6945	1,028	6.3233
Distributions payable								
- 31 December	5,681	0.3812	4,018	0.3209	3,987	20.9380	2,380	12.7238
	9,607	0.6450	6,014	0.4771	6,531	31.6325	3,408	19.0471

6 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 performance of the Funds' investment objective.

7 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 31 December 2023 or on the results and cash flows of the Funds for the half-year ended on that date.

8 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 (30 June 2023: Nil).

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Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 10 to 31 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 31 December 2023 and of their performance, as represented by the results of their operations for the half-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.

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



Daniel Shrimski
Managing Director, Vanguard Investments Australia Ltd
Melbourne
13 March 2024

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Independent auditor's review report

To the unitholders of:

- 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*
- 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 half-year financial report

Conclusion

We have reviewed the half-year financial report of the Vanguard Wholesale Fixed Income Funds and ETFs (the Funds) which comprises the balance sheets as at 31 December 2023, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Vanguard Wholesale Fixed Income Funds and ETFs does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Funds' financial positions as at 31 December 2023 and of their performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

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Responsibilities of the directors for the half-year financial report

The directors are responsible for the preparation of the half-year 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 determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial positions as at 31 December 2023 and of their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

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

Adrian Gut
Partner

Melbourne
13 March 2024

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Responsible Entity

Vanguard Investments Australia Ltd
ABN 72 072 881 086
AFSL 227263

Level 13
130 Lonsdale Street
Melbourne VIC 3000

Telephone: (03) 8888 3888
Facsimile: 1300 765 712

vanguard.com.au

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