


Vanguard Active Positive Impact Fund

This Product Disclosure Statement (**PDS**) is issued by Vanguard Investments Australia Ltd ABN 72 072 881 086 AFSL 227263 (**Vanguard, we, us or our**), and is a summary of significant information relating to the class of units in the wholesale class of the units in the Vanguard Active Positive Impact Fund (**Fund**) ARSN 662 038 477 ABN 66 188 798 502 APIR® Code VAN2580AU. Vanguard is the responsible entity of the Fund. Unless stated or the context requires otherwise, a reference in this PDS to the 'Fund' is a reference to the wholesale class of units in the Fund.

Contents

- 1 About Vanguard Investments Australia Ltd
- 2 How the Vanguard Active Positive Impact Fund works
- 3 Benefits of investing in the Vanguard Active Positive Impact Fund
- 4 Risks of managed investment schemes
- 5 How we invest your money
- 6 Fees and costs
- 7 How managed investment schemes are taxed
- 8 How to apply
- 9 Other information

This PDS is a summary of significant information you, the investor, need to make a decision about the Fund. It includes references to other important information in the Vanguard Active Positive Impact Fund Reference Guide (**Reference Guide**) as it applies to your account type that is taken to form part of this PDS. These references begin with an exclamation mark  and are in italics. You can locate the Reference Guide at www.vanguard.com.au/offerdocuments. You should also consider the Reference Guide in its entirety and other important information incorporated in this PDS before making your decision about the Fund. The material contained within the Reference Guide may change between the time when you read this PDS and the day you acquire the product. The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice that is tailored to your personal circumstances from a licensed financial adviser.

Eligible investors

Direct new applications into the Fund are only permitted from institutional investors approved by Vanguard. New retail investors can access a range of Vanguard managed funds indirectly (for example, through Vanguard Personal Investor, a master trust, wrap platform or a nominee or custody service). If you are investing indirectly, this PDS and the Reference Guide should be used for information purposes only. We may change the types of investors eligible to make direct applications by notice on our website. To find out if you are eligible to invest in a Fund directly or if you would like further information regarding Vanguard Personal Investor, please visit www.vanguard.com.au/personal or contact us.

Information in this PDS is current as at its issue date and may change from time to time. Where the changes are not materially adverse to you, the information may be updated on our website at www.vanguard.com.au. A paper copy of any updated information is available free of charge on request.

All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia or New Zealand to anyone whom it would not be lawful to make such an offer. Applications from outside Australia or New Zealand will not be accepted through this PDS. For the avoidance of doubt, units in the Fund are not intended to be sold to US Persons as defined under Regulation S of the US federal securities laws.

WARNING TO NEW ZEALAND INVESTORS

Some of the content contained in this PDS will not apply to New Zealand investors. The offer is principally regulated under Australian law rather than New Zealand law. The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

None of The Vanguard Group, Inc. (including Vanguard Investments Australia Ltd) nor any of their related entities, directors or officers guarantee the repayment of capital or the performance of the Fund. Vanguard or any of its related entities or associates may invest in, lend to or provide services to the Fund. Vanguard may also invest, lend to, or provide services to funds or accounts owned or managed by its related entities or perform services for clients who have appointed Vanguard as investment manager. The allocation of aggregated investments amongst various funds and accounts will be conducted by Vanguard and its related entities in accordance with appropriate policies and procedures to manage any conflicts of interest.

If you would like to request a printed copy of this PDS or any of the other important information that forms part of this PDS, please contact us.

Registered office

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1. About Vanguard Investments Australia Ltd

Vanguard Investments Australia Ltd (Vanguard) is a wholly owned subsidiary of The Vanguard Group, Inc. The Vanguard Group, Inc. is one of the world's largest global investment management companies, with more than AUD \$10.6 trillion in assets under management as of 31 August 2022. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 25 years.

Vanguard is the responsible entity of the Fund. As responsible entity, Vanguard is responsible for the management and administration of the Fund. Vanguard has appointed Baillie Gifford Overseas Limited (ARBN 118 567 178, Registration No.: SCO084807) (Baillie Gifford) as the investment manager for the Fund and has appointed other entities within the Vanguard group of companies to provide investment management related services to the Fund. Investors will be notified of any future change in the investment manager of the Fund and this PDS will be updated accordingly.

Vanguard has appointed JP Morgan Chase Bank, N.A. (Sydney branch) (ABN 43 074 112 011) as custodian of the Fund.

! *You should read the important information about the investment manager and the custodian in the Reference Guide before making a decision. Go to section "Other information" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to the investment manager and the custodian in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

2. How the Vanguard Active Positive Impact Fund works

The Fund is a registered managed investment scheme. When you contribute money to a registered managed investment scheme, your money is pooled together with other people's money. We invest that money and manage the assets of the Fund on behalf of all scheme members. The Australian Securities & Investments Commission's (ASIC) website www.moneysmart.gov.au has more information about managed investment schemes.

The Fund is divided into units. As an investor, you acquire units in the Fund. A unit represents a beneficial interest in the assets of the Fund as a whole (but not to any particular asset). Under the Fund's constitution, we are permitted to establish different classes of units.

This PDS relates only to the wholesale class of units of the Fund.

Unit prices

The value of a unit is determined by dividing the net asset value (total assets less total liabilities) by the number of units on issue in that class at the time of valuation.

Units are usually valued daily, except on public holidays, if a market is closed or the Fund is suspended. The value of units will change from time to time as the market value of the assets in the Fund rises or falls. The price you pay when contributing to the Fund (buying units) or receive when withdrawing from the Fund (selling units) is calculated as follows:

- Buy price = net asset value per unit plus the buy spread
- Sell price = net asset value per unit minus the sell spread

The buy/sell spread for the Fund is our reasonable estimate of the transaction costs that the Fund may incur to buy and sell assets when investing contributions and funding withdrawals. The buy/sell spread is retained in the Fund to meet these expenses and is not received by us. Please refer to section 6 "Fees and costs" for any buy/sell spreads applicable to the Fund.

We may also allocate transaction costs that the Fund incurs as a result of investing the contributions and funding the withdrawals of a particular class of units to that class, when determining the price of units of each class.

Unit prices for wholesale class units are denominated in Australian dollars.

For information on unit prices visit our website or contact us.

Applications and withdrawals

You can acquire units in the Fund by following the relevant application process outlined in the Reference Guide. Subject to the minimum requirements and other applicable terms and conditions, you can increase your investment at any time by buying more units or decrease your investment by withdrawing or transferring some of your units. You can request the withdrawal of all or part of your investment in the Fund by providing us with a withdrawal request. Withdrawals from the Fund are normally paid within three business days, however the Constitution for the Fund allows withdrawal proceeds to be paid within a longer period. In some circumstances you may not be able to withdraw your funds within the usual period upon request, including where there is a closure of the relevant market or exchange, we freeze or suspend withdrawals or during the first ten business days of July each year due to the end of financial year activities for the Fund.

Fund distributions

Distributions may include income earned by the Fund or any other amounts that we consider appropriate for distribution. As at the date of this PDS, we intend for the distributions made by the Fund to be based on the taxable income earned by the Fund for each year. The income of the Fund will generally include income earned on holding and disposing of the assets of the Fund.

Where the Fund is an AMIT (see "Taxation" section in the Reference Guide), as distributions for each period may be based on estimates or exclude certain types of income, the amount distributed may differ to the income attributed to investors for tax purposes. Any income of the Fund that is not distributed for the period will either be held back for distribution in a later period in the same financial year, or accumulated in the Fund. We may, from time to time, review our approach to distributions and elect to distribute on an alternative basis.

Distributions will generally be made on a quarterly basis, however we may elect to distribute at other times. Distributions will normally be paid within 10 business days following the end of the distribution period. The amount and timing of distributions will vary from period to period. You should be aware that there may be periods (including long periods of time) in which no distribution is made. If this should occur, details will be available on our website.

Distributions are calculated on a per unit basis and will be paid to investors based on the number and class of units held as at the end of the distribution period.

You can choose to have your distributions:

- reinvested in additional units; or
- paid directly to a nominated Australian bank account.

If you do not make a choice, distributions will be automatically reinvested in additional units in the Fund. Where your distribution is reinvested, the units you receive will be issued to you without a buy spread being added to the price you pay for those units. We reserve the right to reinvest any distributions following the death of the investor even if the investor's representative requests the distributions to be credited to an Australian bank account.

You may change your choice for distribution payments by completing a Change of Details Form located on our website. To ensure that the change to your distribution payments is effective for an upcoming distribution period, you should submit a Change of Details Form to Vanguard at least 5 business days before the end of that distribution period.

! *You should read the important information about applications, withdrawals (including BPAY® and transfers) and unit pricing in the Reference Guide before making a decision. Go to sections "Applications", "Withdrawals" and "Unit pricing" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to applications, withdrawals (including BPAY® and transfers) and unit pricing in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

Indirect investors

You may invest in the Fund offered in this PDS indirectly (for example, through Vanguard Personal Investor, a master trust, wrap platform or a nominee or a custody service). If you invest in this manner certain information in this PDS may not be relevant to you such as: applications and withdrawals, fund distributions, investor communication, fees and costs, how to open an account and cooling off rights. You should consult the offer document or client agreement through which you have invested.

New Zealand investors

New Zealand investors are offered units in the Fund on the basis of this PDS and may apply for units by submitting a Vanguard Wholesale Funds Application Form. There is some important information that New Zealand investors should consider before applying for units.

! *You should read the important information about New Zealand investors in the Reference Guide before making a decision. Go to section "New Zealand Investor Accounts" of the applicable Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to New Zealand investors in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.*

3. Benefits of investing in the Vanguard Active Positive Impact Fund

The significant features and benefits of investing in the Fund include:

- **INVESTMENT EXPERTISE** - The Fund will allow you to tap into the investment expertise of Baillie Gifford's experienced investment team.
- **DIFFERENTIATED IMPACT PORTFOLIO** - The Fund will invest in a portfolio of companies whose products and/or services are expected to make a positive social or environmental impact.
- **POSITIVE IMPACT REPORTING** - An annual impact report will provide details of the impact of the products and services of companies held by the Fund.

The significant features and benefits of investing with Vanguard include:

- **STABILITY AND EXPERIENCE** - The Vanguard Group, Inc. was established in 1975 and has been a leader in low cost investing ever since. In Australia, Vanguard leverages the scale, experience and resources of our established global business. Investing in the Fund allows you to access the knowledge and skill of Vanguard.
- **CLIENT FOCUS** - The Vanguard Group, Inc. was founded on a simple but revolutionary idea - that an investment company should manage the funds it offers in the sole interest of its clients. From rigorous risk management to transparent pricing to plain talk communications, we put our clients' interest first.
- **LOW COSTS** - Investors can't control the markets, but they can control the costs of investing. Providing low cost investments isn't a pricing strategy for us. It's how we do business. Vanguard's scale also helps to keep costs low.

4. Risks of managed investment schemes

All investments carry risk. It is important to keep in mind one of the principles of investing: the highest long-term returns may also carry the highest level of short-term risk. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy.

It is important to understand that the value of the investments may go up and down, investment returns are not guaranteed and investors may lose their money. The level of returns may vary and future returns may differ from past returns. Laws affecting registered managed investment schemes may change in the future. The appropriate level of risk for each person depends on a range of factors including age, investment time frame, where other parts of the investor's wealth are invested and the investor's risk tolerance.

There is no guarantee that the value of your initial investment will be maintained. In other words, the value of your investment may rise or fall. Significant investment risks include:

MARKET RISK - Market risk is the possibility that market returns and/or value will overall decline. Financial markets tend to move in cycles, with periods of rising prices and periods of falling prices due to varying factors such as economic, social, environment, technological or political conditions as well as market sentiment. It is important to note that the value of your investment can be directly or indirectly impacted and that you may not get back what you invested in the Fund.

COUNTERPARTY RISK - The risk that the Fund may incur a loss due to the failure of a counterparty to meet their obligations under a contract. The Fund's counterparties may include brokers, clearing houses and other agents.

REGULATORY RISK - There is a risk that the Fund may be adversely impacted by a change in laws and regulations governing a security, sector or financial market, including in relation to tax. Regulatory risk may be higher when investing internationally due to the nature and actions of particular legal systems and/or regimes in effect.

FUND RISK - Managed funds, in simple terms, pool the money of many individual investors. Therefore, investing in a managed fund may give rise to different outcomes as compared to investing in the underlying securities directly. As an investor in the Fund, your investment returns may be impacted by the applications and withdrawals of other investors, the fees and costs imposed by Vanguard and different tax outcomes related to the tax laws applicable to the Fund. In addition, there is a risk that Vanguard could be replaced as the responsible entity for the Fund, or the Fund could terminate.

MANAGER RISK - There is a risk that the investment manager's investment selection or implementation processes may cause the Fund to not meet its investment objective or underperform other funds with a similar investment objective. Vanguard reviews the appointment of its external managers on a regular basis and has the discretion to terminate their appointment at any time.

OPERATIONAL RISK - There is a risk that Vanguard, or another service provider, will fail to adequately administer or report accurately in relation to the Fund or your investment in the Fund. There is also a risk that circumstances beyond the investment manager's control may prevent it from managing the Fund in accordance with its investment strategy. Such occurrences may include strikes, industrial disputes, fires, war, civil disturbance, terrorist acts, state emergencies and epidemics in Australia or in the country where the investment manager is located or in the countries where the underlying securities are held.

CURRENCY RISK - There is the chance that the value of a foreign investment, measured in Australian dollars, will decrease because of unfavourable changes in currency exchange rates. While the Fund is generally unhedged, the Fund may mitigate currency risk by utilising forward foreign exchange contracts to hedge their currency exposure. Forward foreign exchange contracts are subject to derivative risk – please refer to 'Derivative risk' below for further information. An unfavourable move in a currency exchange rate may reduce, or even eliminate, any return on an investment purchased with foreign currency. The opposite can also be true – a Fund can benefit from changes in exchange rates. The use of forward currency contracts poses the risks set out under 'Derivative risk' below.

DISTRIBUTION RISK - There may be periods where no distribution will be paid.

INVESTMENT STYLE RISK - The chance that returns from the types of securities in which the Fund invests will trail returns from the overall equity market. Certain funds are managed in accordance with a particular investment style. Focusing primarily on one particular investment style (e.g. value or growth) to the exclusion of others may create risk in certain circumstances. For example, if a particular focus is placed on growth investing at a time when this investment style is out of favour in the marketplace, increased volatility and lower or negative returns may result.

SECURITY SPECIFIC RISK - The prices of securities a Fund invests in, either directly or indirectly (through a holding in another investment vehicle) can rise or fall independently of changes in the broad market.

DERIVATIVE RISK - A derivative is a contract between two or more parties that derives its price from one or more underlying assets, reference rates or indexes. Derivatives are generally used as an instrument to gain market exposure or to hedge risk; however they also create exposure to additional risks. These additional risks include the possibility that the value of the derivative may fail to move in line with the underlying asset, the potential lack of liquidity of the derivative, or that the parties to the derivative contract may not be able to meet their obligations. Derivative contracts are not used to leverage the assets of a Fund.

EMERGING MARKETS RISK - Emerging markets are typically considered more volatile than developed markets because, among other factors, emerging markets can have greater custodial and operational risks; less developed legal, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets.

IMPACT RISK – The Fund may not be successful in investing in companies that have or will have a positive impact, or support a given position. In some circumstances, companies could ultimately make a negative contribution, or no contribution, towards a more sustainable and inclusive world. In assessing contribution towards a more sustainable and inclusive world, the investment manager may be dependent upon information and data obtained through voluntary reporting by issuers or third-party research that may be incomplete, inaccurate or unavailable, which could impact the investment manager's assessment of relative risks and opportunities.

CONCENTRATION RISK - The Fund may invest in a small number of countries and may invest a relatively large percentage of its assets in a small number of companies, industries or sectors. The Fund's financial performance could be closely tied to the value of individual companies. This has the potential to increase the gains or losses and the volatility of returns for investors.

5. How we invest your money

Warning: When it comes to choosing to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe.

Investment objective	The Fund aims to outperform the benchmark over the long term. The Fund also aims to contribute towards a more sustainable and inclusive world by investing primarily in the equities of companies whose products and/or services make a positive social or environmental impact.
Benchmark	MSCI All Country World Index (with net dividends reinvested) in Australian dollars
Investment Manager	Baillie Gifford Overseas Limited
Fund commencement date	12 October 2022
Minimum suggested investment timeframe	7 years
Summary risk level	High: The potential for higher returns than lower risk investments, however there is the higher potential for below average returns and/or loss of capital.
Who it may suit	Buy and hold investors seeking long-term capital growth, global investments, and with a higher tolerance for the risks associated with share market volatility. Investors seeking to use a proportion of their capital to invest in companies whose products and/or services make a positive social or environmental impact.

Investment strategy and investment return objective

The Fund aims to outperform the MSCI All Country World Index (with net dividends reinvested) in Australian dollars over the long term. The Fund also aims to contribute towards a more sustainable and inclusive world by investing primarily in the equities of companies whose products and/or services make a positive social or environmental impact. The Fund may also invest in other transferable securities, money market instruments, cash and cash equivalents.

In seeking to invest in companies that make a positive social or environmental impact, the investment manager focuses on the ability of a company to deliver positive financial outcomes and a positive impact in areas including but not limited to:

- **Social Inclusion and Education:** Companies that are contributing to a more inclusive society or are improving the quality or accessibility of education.

- **Healthcare and Quality of Life:** Companies that are actively improving the quality of life in developed and developing countries.
- **Environment and Resource Needs:** Companies committed to improving resource efficiency and reducing the environmental impact of society's economic activities.
- **Base of the Pyramid:** Companies that are addressing the basic and aspirational needs of the world's poorest populations.


The investment manager actively manages the Fund's portfolio of typically 25 to 50 global companies, generating ideas from a diverse range of sources. Investments are selected using a 'bottom up' approach based on fundamental in-house research using a consistent framework.

The investment manager conducts independent impact analysis of a company's products and services to assess whether they contribute to one of the positive impact themes, linking the contribution with the United Nations Sustainable Development Goals. The impact analysis is carried out independently of the investment case using a rigorous, qualitative framework that is based upon assessing three factors about each company: (i) intent towards delivering a positive impact, (ii) impact of products and/or services and (iii) business practices. The investment manager identifies bespoke metrics and/or milestones for each company and uses these to assess progress towards meeting the investment manager's positive change hypothesis in respect of the contribution of the company's products and services. The investment manager publishes an annual impact report which includes the outcome of this assessment and shows how each company in the Fund's portfolio is delivering a positive impact through its products and/or services.

The investment manager also applies investment restrictions seeking to exclude investments on various norms and revenue-based indicators. This includes restrictions which seek to prevent investment in companies that are identified through MSCI screening as being involved in (i) the production of tobacco or manufacture of nicotine alternatives and tobacco-based products, (ii) the production of controversial weapons or (iii) the development, production or maintenance of nuclear weapons. The investment manager also uses other ethical screens which prevent investment until additional due diligence is completed to ensure that a company is deemed to be an eligible investment. For example, if a company derives more than 5% of its revenue from alcohol, adult entertainment, gambling or predatory lending, an investment is not permitted until additional due diligence is completed to ensure that the company is suitable for the Fund.

The Fund aims to hold securities for long periods (typically at least 5 years), which generally results in relatively low portfolio turnover and is in line with the Fund's long-term investment outlook. Currency considerations are part of the overall, fundamental bottom-up research process.

For further information about the Fund's investment strategy and investment process, please refer to Baillie Gifford's 'Positive Change Philosophy and Process' and 'Impact Measurement Methodology' documents which can be accessed through the 'Documents' section of the Fund's page on our website. Information about the Fund's investments is contained in the Fund's fact sheet which is also available on our website.

 **You should read the important information about how we invest your money (including in relation to the use of derivatives, and cash management of the Fund) in the Reference Guide before making a decision. Go to section "How Vanguard invests" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to how we invest your money in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.**

Environmental, social and ethical considerations

The investment manager seeks to only invest in companies where delivering a positive impact is core to their business and whose products and/or services make a positive social or environmental impact. When conducting its fundamental research and impact analysis, the investment manager takes into account labour standards and environmental, social and ethical considerations. This includes assessing companies against various ethical screens and other relevant considerations such as applicable sanctions and the principles of the United Nations Global Compact, which cover human rights, labour rights, environmental safeguards and anti-corruption. The investment manager takes relevant considerations into account to the extent that they affect the investment and/or positive impact case. Once the investment manager has taken a holding in a company, it will engage with companies on an ongoing basis and will monitor performance and progress towards delivering a positive impact.

Changing the investment strategy

We may from time to time vary the investment objective and/or strategy of the Fund. We will notify investors of any such changes.

6. Fees and costs

Did you know? Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features, such as superior investment performance or the provision of better member services, justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

To find out more: If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Our fees and costs

This section shows the fees and other costs you may be charged. This information can be used to compare costs between different simple managed investment schemes. These fees and costs can be paid directly from your account or deducted from your investment returns. Taxes are set out in section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Vanguard Active Positive Impact Fund

Type of fee or cost ¹	Amount	How and when paid
Ongoing annual fees and costs ³		

<p><i>Management fees and costs</i></p> <p>The fees and costs for managing your investment¹</p>	<p>0.79% p.a. of the net asset value (NAV) of the Fund comprised of:</p> <p>1. A management fee of 0.79% p.a. of the NAV of the Fund²;</p> <p>2. Indirect costs of 0.00% p.a. of the NAV of the Fund; and</p> <p>3. Expense recoveries of 0.00% p.a. of the NAV of the Fund</p>	<p>1. The management fee is calculated and accrued daily in the unit price and paid monthly in arrears. The management fee for a month is paid on or after the first day of the following month. This fee is payable from the assets of the Fund. The amount of this fee can be negotiated by qualifying institutional investors.</p> <p>2. Indirect costs are paid out of the Fund's assets or an interposed vehicle's assets as and when incurred.</p> <p>3. Normal operating expenses that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price.</p>
<p><i>Performance fees</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	<p>Nil</p>	<p>Not applicable.</p>
<p><i>Transaction costs</i></p> <p>The costs incurred by the scheme when buying or selling assets</p>	<p>0.02% p.a. of the NAV of the Fund⁴</p>	<p>Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are paid out of the assets of the Fund as and when incurred.</p>
<p>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)³</p>		
<p><i>Establishment fee</i></p> <p>The fee to open your investment</p>	<p>Nil</p>	<p>The Fund does not charge an establishment fee</p>
<p><i>Contribution fee</i></p> <p>The fee on each amount contributed to your investment</p>	<p>Nil</p>	<p>The Fund does not charge contribution fees</p>
<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	<p>0.20% of the application amount on application and 0.20% of the withdrawal amount on withdrawal⁵</p>	<p>Buy/sell spreads apply to the Fund. As at the date of this PDS, a buy spread of 0.20% is charged on each application and a sell spread of 0.20% is charged on each withdrawal. This amount is reflected in the buy price and sell price respectively for units in the Fund and is not separately charged to the investor</p>
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	<p>Nil</p>	<p>The Fund does not charge withdrawal fees</p>
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	<p>Nil</p>	<p>The Fund does not charge an exit fee</p>
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	<p>Nil</p>	<p>The Fund does not charge switching fees</p>

¹ See the "Additional explanation of fees and costs" section below and in the Reference Guide for further details on fees and costs that may be payable. Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to Vanguard.

² The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to "Differential fees" in the "Additional explanation of fees and costs" section in the Reference Guide.

³ All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Where a fund is newly established, the costs reflect our reasonable estimates as at the date of this PDS of those costs that will apply for the current financial year (adjusted to reflect a 12 month period). Normal operating expenses that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price.

⁴ Transaction costs disclosed in this section are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders.

⁵ In estimating the buy/sell spread, we have assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for Vanguard to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. We may vary the buy/sell spreads from time to time, including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be disclosed on our website.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this product with other products offered by simple managed investment schemes.

Example - Vanguard Active Positive Impact Fund

Balance of \$500,000 with a contribution of \$5,000¹ during the year

Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs ^{3 4} :	0.79% p.a. of the NAV of the Fund	And, for every \$500,000 you have in the Fund you will be charged or have deducted from your investment \$3,950 each year.
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs	0.02% p.a. of the NAV of the Fund	And, you will be charged or have deducted from your investment \$100 in transaction costs each year.
EQUALS cost of fund		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees and costs of \$4,050. What it costs you will depend on the investment option you choose and the fees you negotiate with Vanguard.

¹ The additional management fees and costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the Corporations Act, and is based on an assumption that the \$5,000 investment in a Fund occurs on the last day of the year (and therefore, the management fees and costs are calculated using an investment balance of \$500,000 only). This example also assumes that the value of your investment in the Fund remains the same during the year.

² Additional fees may apply. A buy/sell spread may also apply to investments into and withdrawals from the Fund, which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in the Reference Guide for further details.

³ All estimates of fees and costs in this section are based on information available as at the date of this PDS. All fees reflect our reasonable estimates of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include our reasonable estimates where information was not available as at the date of this PDS or where we were unable to determine the exact amount. Where a fund is newly established, the costs reflect our reasonable estimates as at the date of this PDS of those costs that will apply for the current financial year (adjusted to reflect a 12 month period). Normal operating expenses that would otherwise be recoverable from the Fund are paid out of the management fee at no additional charge to you. Abnormal or extraordinary expenses, if and when incurred, are reflected in the unit price.

⁴ The amount of the management fee may be negotiated if you are a wholesale client pursuant to the Corporations Act. For further information refer to "Differential fees" in the "Additional explanation of fees and costs" section in the Reference Guide.

Additional explanation of fees and costs

Management fees and costs

Management fees and costs are made up of Vanguard's management fee as well as indirect costs and expense recoveries that are deducted from the returns of the Fund. You should refer to the Fund's website from time to time for any updates which are not materially adverse to you.

Managed funds calculator


We have a managed funds fee calculator on our website that can be used to calculate the impact of fees and costs on your account balance. ASIC also has a managed funds fee calculator on their website at www.moneysmart.gov.au that can be used to calculate the effect of fees and costs on your account balance.

Advice fees

WARNING: If you consult a financial adviser, you may have to pay additional fees to the adviser. Please refer to your Statement of Advice for details of these fees (if any). No adviser will receive any commission from Vanguard relating to your investment in the Fund.

Changes to management fees


We may alter the management fee in accordance with the constitution of the Fund. We will provide investors with at least 30 days' advance notice of any increase to our fees. The constitution governing the Fund limits the amount of the management fee component (excluding GST) to 1.50% p.a. This limit does not apply to ordinary expenses of the Fund that we incur and cover out of the management fee or to any extraordinary expense of the Fund that is otherwise able to be recovered. Any increase to the management fee above this maximum will generally require unitholder approval.

 **You should read the important information about fees and costs in the Reference Guide before making a decision. Go to section "Additional explanation of fees and costs" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to fees and costs in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.**

7. How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

Registered investment schemes generally do not pay tax on behalf of members. However, we may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the registered managed investment scheme to which you are entitled.

 **You should read the important information about taxation in the Reference Guide before making a decision. Go to section "Taxation" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to taxation in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.**

8. How to apply

For more information about the process to apply, please refer to the Reference Guide.


We may, in our absolute discretion, accept or refuse to accept, in whole or in part, any application or subscription for units. We need not give any reason for refusal. If for any reason we refuse or are unable to process your application to invest in the Fund, we will, subject to any legal and regulatory requirements, return your application money to you. You will not be entitled to interest on your application money in this circumstance. We are unable to process your application until all required information and/or supporting documentation is received.

Cooling off

If you invest \$500,000 or more in the Fund, you will generally be considered a wholesale investor. Wholesale investors, as defined in the *Corporations Act 2001* (Cth), do not have cooling off rights in relation to making an investment in the Fund.

However, if we exercise our discretion to accept an investment of less than \$500,000 in the Fund, you may have the same cooling off rights as a retail investor. Retail investors have the right to a 14 day cooling off period during which time you may request in writing that Vanguard repay your investment. The 14 day period commences either from the time the investment is confirmed by Vanguard or 5 business days after the units are issued, whichever is the earlier. The amount repaid to you under the cooling off provisions may be less than the amount you invested. The amount repaid will be based on the sell price applicable for the day the request is received, and may be reduced by tax or duty paid or payable by you in relation to the acquisition and termination of the investment.

The right to cool off may not apply if you invest indirectly (for example, through a master trust, wrap platform or a nominee or a custody service), even if you are a Retail investor. Indirect investors should seek advice from their platform operator or consult the relevant platform guide or similar type document as to whether cooling off rights apply.

 ***You should read the important information about applications in the Reference Guide before making a decision. Go to section "Applications" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to applications in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.***

Complaints

If you have a complaint, please contact us on any of the following channels so that we can work together towards a resolution.

Email:	clientservices@vanguard.com.au
Phone:	1300 655 101 (from 8:00am to 6:00pm AET, Monday to Friday)
Secure message:	via your Vanguard Online Secure Message Portal (where available)
Mail:	Vanguard Investments Australia GPO Box 1837, Melbourne VIC 3001

Our Complaints Handling Policy is available on our website and in hard copy upon request. We aim to resolve your complaint as quickly as possible. For most standard complaints, we will provide you with a written internal dispute resolution response within 30 calendar days after receiving your complaint. Complex complaints may have a different maximum timeframe for responding. We will notify you if a different maximum timeframe applies to your complaint.

In the event that you are not satisfied with the outcome of your complaint, you have the right to refer the matter to an external dispute resolution process – the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution service that is free to consumers. You can make a complaint to AFCA online, by letter, email or by phone.

It is important to note that time limits apply to some types of complaints lodged with AFCA. The AFCA complaint resolution service may only be available to retail clients.


Australian Financial Complaints Authority

Website:	www.afca.org.au
Email:	info@afca.org.au
Telephone:	1800 931 678 (free call)
Mail:	Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

9. Other Information

Investor communication

You can obtain up-to-date information about the Fund by visiting the Vanguard website. As an investor in the Fund, we'll keep you updated with any material information regarding your investment. For information that is sent directly to you, email is Vanguard's preferred means of sending you this information. Please ensure that you provide us with your email address on the Application Form. Where the Fund is a disclosing entity, it will be subject to regular reporting and disclosure obligations and we will meet our continuous disclosure obligations by disclosing new material information on the Vanguard website in accordance with ASIC's good practice guidance. Copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office. Vanguard can also provide you with a copy (free of charge) of the Annual Financial Report most recently lodged with ASIC, any half-yearly Fund financial reports lodged with ASIC and any continuous disclosure notices given for the Fund after the lodgement of an annual report.

 ***You should read the important information about investor communication in the Reference Guide before making a decision. Go to section "Investor communication" of the Reference Guide located at www.vanguard.com.au/offerdocuments. The material relating to investor communication in the Reference Guide may change between the time when you read this PDS and the day when you acquire the product.***

Privacy policy

We are committed to respecting the privacy of your personal information. To obtain a copy of our privacy policy or to access or update your personal information, visit our website or contact Client Services on 1300 655 101 or write to GPO Box 3006, Melbourne, Vic, 3001.

Consent to statements in this PDS and Reference Guide

Baillie Gifford has given and not withdrawn their consent to the statements relating to Baillie Gifford in the "Investment Manager" and "How we invest your money" sections and in other references about investment and investment strategy for the Fund, in the form and context in which they appear.

Connect with Vanguard™ > vanguard.com.au

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