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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 Diversified Balanced Index ETF	VDBA	Interim Report
Vanguard Diversified Conservative Index ETF	VDCO	Interim Report
Vanguard Diversified Growth Index ETF	VDGR	Interim Report
Vanguard Diversified High Growth Index ETF	VDHG	Interim Report

Vanguard has prepared an interim report for the half year ended 31 December 2023, for the Vanguard Diversified 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](http://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.

© 2024 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) ("Vanguard") is the issuer of the Vanguard® Australian ETFs.

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

Investors should consider the Prospectus or Product Disclosure Statement ("PDS") in deciding whether to acquire Vanguard ETFs. Retail investors can only use the Prospectus or PDS for informational purposes. A copy of the Target Market Determinations (TMD) for Vanguard's financial products can be obtained at [vanguard.com.au](http://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 Funds before making any investment decisions. You can access our disclosure documents at [vanguard.com.au](http://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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**Interim report** for the period ended 31 December 2023

# Vanguard Diversified Funds and ETFs

## **Responsible Entity**

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## Vanguard Diversified Funds and ETFs

<b>Fund</b>	<b>ASX</b>	<b>ARSN</b>	<b>ABN</b>
Vanguard Diversified Bond Index Fund	-	147 937 728	90 633 012 411
Vanguard Balanced Index Fund	VDBA	101 565 431	14 193 060 779
Vanguard Conservative Index Fund	VDCO	101 565 351	24 396 176 911
Vanguard Growth Index Fund	VDGR	101 565 520	43 698 348 922
Vanguard High Growth Index Fund	VDHG	101 565 637	71 339 405 674

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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.

# Directors' report

The Responsible Entity of the Vanguard Diversified 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 predominantly invest in the Vanguard Wholesale Funds, a group of unlisted unit trusts which are also managed by the Responsible Entity. The Funds seek to track the weighted average return of the various indices of the underlying Vanguard Wholesale Funds in which they invest, in proportion to their strategic asset allocation, before taking into account fees, expenses and tax. The weights used are the strategic asset allocations to each asset class, for each individual Fund.

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 unlisted unit trusts 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 Diversified Bond Index Fund		Vanguard Balanced Index Fund		Vanguard Conservative Index Fund	
	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)	11,811	(8,840)	346,025	100,406	105,853	2,610
<b>Distributions - Wholesale Class</b>						
Distribution paid and payable (\$'000)	497	211	61,739	56,534	19,018	16,402
Distribution (cents per unit)	0.1266	0.0570	1.1762	1.0326	0.8176	0.6155
<b>Distributions - ETF Class</b>						
Distribution paid and payable (\$'000)	-	-	4,476	5,028	1,492	1,314
Distribution (cents per unit)	-	-	37.2967	39.5193	36.0513	27.4205

# Directors' report (continued)

## Review and results of operations (continued)

### Results (continued)

	Vanguard Growth Index Fund		Vanguard High Growth Index Fund	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	503,840	257,382	465,678	295,107
<b>Distributions - Wholesale Class</b>				
Distribution paid and payable (\$'000)	91,873	81,495	74,834	61,827
Distribution (cents per unit)	1.4581	1.3352	2.2294	2.0534
<b>Distributions - ETF Class</b>				
Distribution paid and payable (\$'000)	7,395	6,256	26,260	22,853
Distribution (cents per unit)	55.8586	50.9421	74.0601	67.6747

### 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 Diversified Bond Index Fund		
Capital growth	3.06	(2.91)
Distribution of income	0.17	0.07
Total return	3.23	(2.84)
Benchmark <i>Diversified Bond Composite Index - Wholesale<sup>(1)</sup></i>	3.39	(2.66)

(1) *Diversified Bond Composite Index - Wholesale* comprises of (weight/index): 30% Bloomberg AusBond Composite 0+ Yr Index, 70% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged into Australian dollars.

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Balanced Index Fund - Wholesale Class		
Capital growth	3.64	0.54
Distribution of income	0.91	0.83
Total return	4.55	1.37
Benchmark <i>Balanced Composite Index<sup>(2)</sup></i>	4.77	1.69

(2) *Balanced Composite Index - Wholesale* comprises of (weight/index): 20% S&P/ASX 300 Index, 14.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 9% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 3.5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) hedged to Australian dollars, 3% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 15% Bloomberg AusBond Composite 0+ Yr Index, 35% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.

# Directors' report (continued)

## Review and results of operations (continued)

### Performance (continued)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Balanced Index Fund - ETF Class		
Capital growth	3.80	0.53
Distribution of income	0.77	0.84
Total return	4.57	1.37
Benchmark		
Balanced Composite Index <sup>(2)</sup>	4.77	1.69

(2) *Balanced Composite Index - Wholesale comprises of (weight/index): 20% S&P/ASX 300 Index, 14.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 9% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 3.5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) hedged to Australian dollars, 3% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 15% Bloomberg AusBond Composite 0+ Yr Index, 35% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.*

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Conservative Index Fund - Wholesale Class		
Capital growth	3.16	(0.51)
Distribution of income	0.76	0.57
Total return	3.92	0.06
Benchmark		
Conservative Composite Index <sup>(3)</sup>	4.10	0.32

(3) *Conservative Composite Index - Wholesale comprises of (weight/index): 12% S&P/ASX 300 Index, 8.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 5.5% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 2% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 2% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 18% Bloomberg AusBond Composite 0+ Yr Index, 42% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars, 10% Bloomberg AusBond Bank Bill Index.*

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Conservative Index Fund - ETF Class		
Capital growth	3.17	(0.52)
Distribution of income	0.76	0.58
Total return	3.93	0.06
Benchmark		
Conservative Composite Index <sup>(3)</sup>	4.10	0.32

(3) *Conservative Composite Index - Wholesale comprises of (weight/index): 12% S&P/ASX 300 Index, 8.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 5.5% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 2% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 2% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 18% Bloomberg AusBond Composite 0+ Yr Index, 42% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars, 10% Bloomberg AusBond Bank Bill Index.*

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Growth Index Fund - Wholesale Class		
Capital growth	4.03	2.05
Distribution of income	1.06	1.05
Total return	5.09	3.10
Benchmark		
Growth Composite Index <sup>(4)</sup>	5.31	3.45

(4) *Growth Composite Index - Wholesale comprises of (weight/index): 28% S&P/ASX 300 Index, 20.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 12.5% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 4% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 9% Bloomberg AusBond Composite 0+ Yr Index, 21% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.*

# Directors' report (continued)

## Review and results of operations (continued)

### Performance (continued)

	31 Dec 2023 %	31 Dec 2022 %
Vanguard Growth Index Fund - ETF Class		
Capital growth	4.04	2.04
Distribution of income	1.07	1.05
Total return	5.11	3.09
Benchmark		
Growth Composite Index <sup>(4)</sup>	5.31	3.45

(4) Growth Composite Index - Wholesale comprises of (weight/index): 28% S&P/ASX 300 Index, 20.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 12.5% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 4% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 9% Bloomberg AusBond Composite 0+ Yr Index, 21% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.

	31 Dec 2023 %	31 Dec 2022 %
Vanguard High Growth Index Fund - Wholesale Class		
Capital growth	4.32	3.49
Distribution of income	1.33	1.36
Total return	5.65	4.85
Benchmark		
High Growth Composite Index <sup>(5)</sup>	5.85	5.22

(5) High Growth Composite Index - Wholesale comprises of (weight/index): 36% S&P/ASX 300 Index, 26.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 16% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 6.5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 5% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 3% Bloomberg AusBond Composite 0+ Yr Index, 7% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.

	31 Dec 2023 %	31 Dec 2022 %
Vanguard High Growth Index Fund - ETF Class		
Capital growth	4.32	3.45
Distribution of income	1.34	1.36
Total return	5.66	4.81
Benchmark		
High Growth Composite Index <sup>(5)</sup>	5.85	5.22

(5) High Growth Composite Index - Wholesale comprises of (weight/index): 36% S&P/ASX 300 Index, 26.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 16% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 6.5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 5% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 3% Bloomberg AusBond Composite 0+ Yr Index, 7% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.

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.

# Directors' report (continued)

## 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.

## 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 7.

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



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



## Auditor's Independence Declaration

- Vanguard Diversified Bond Index Fund
- Vanguard Balanced Index Fund\*
- Vanguard Conservative Index Fund\*
- Vanguard Growth Index Fund\*
- Vanguard High Growth Index Fund\*

referred to collectively as the Vanguard Diversified Funds and ETFs.

\* denotes listed Funds

As lead auditor for the review of the Vanguard Diversified 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', with a small flourish at the end.

Adrian Gut  
Partner  
PricewaterhouseCoopers

Melbourne  
13 March 2024

# Statements of comprehensive income

For the half-year ended 31 December 2023

	Notes	Vanguard Diversified Bond Index Fund		Vanguard Balanced Index Fund		Vanguard Conservative Index Fund	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>							
Interest income		10	2	250	66	80	22
Distribution income		3,452	1,894	99,254	83,885	36,233	29,849
Net gains/(losses) on financial instruments at fair value through profit or loss		8,455	(10,638)	249,099	19,102	70,575	(26,098)
Other operating income		-	-	55	27	14	14
<b>Total net investment income/(loss)</b>		<b>11,917</b>	<b>(8,742)</b>	<b>348,658</b>	<b>103,080</b>	<b>106,902</b>	<b>3,787</b>
<b>Expenses</b>							
Responsible Entity's fees		105	97	2,631	2,672	1,048	1,176
Custody fees		1	1	2	2	1	1
<b>Total operating expenses</b>		<b>106</b>	<b>98</b>	<b>2,633</b>	<b>2,674</b>	<b>1,049</b>	<b>1,177</b>
<b>Operating profit/(loss)</b>		<b>11,811</b>	<b>(8,840)</b>	<b>346,025</b>	<b>100,406</b>	<b>105,853</b>	<b>2,610</b>
<b>Finance costs attributable to unitholders</b>							
Distributions to unitholders	5	-	-	(66,215)	(61,562)	(20,510)	(17,716)
(Increase)/decrease in net assets attributable to unitholders	4	-	-	(279,810)	(38,844)	(85,343)	15,106
<b>Profit/(loss) for the half-year</b>		<b>11,811</b>	<b>(8,840)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>11,811</b>	<b>(8,840)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Notes	Vanguard Growth Index Fund		Vanguard High Growth Index Fund	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>					
Interest income		333	81	299	78
Distribution income		136,302	112,135	119,702	96,486
Net gains/(losses) on financial instruments at fair value through profit or loss		370,659	148,336	348,432	200,775
Other operating income		32	33	65	119
<b>Total net investment income/(loss)</b>		<b>507,326</b>	<b>260,585</b>	<b>468,498</b>	<b>297,458</b>
<b>Expenses</b>					
Responsible Entity's fees		3,484	3,201	2,818	2,348
Custody fees		2	2	2	3
<b>Total operating expenses</b>		<b>3,486</b>	<b>3,203</b>	<b>2,820</b>	<b>2,351</b>
<b>Operating profit/(loss)</b>		<b>503,840</b>	<b>257,382</b>	<b>465,678</b>	<b>295,107</b>
<b>Finance costs attributable to unitholders</b>					
Distributions to unitholders	5	(99,268)	(87,751)	(101,094)	(84,680)
(Increase)/decrease in net assets attributable to unitholders	4	(404,572)	(169,631)	(364,584)	(210,427)
<b>Profit/(loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# Balance sheets

As at 31 December 2023

	Notes	Vanguard Diversified Bond Index Fund		Vanguard Balanced Index Fund		Vanguard Conservative Index Fund	
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		188	537	4,834	8,104	2,122	2,049
Receivables		82	88	5,739	4,810	2,036	1,278
Accrued income		2,291	1,481	47,249	62,207	16,823	19,516
Due from brokers - receivable for securities sold		259	-	19,226	54,002	6,169	13,407
Financial assets at fair value through profit or loss	3	354,055	292,828	7,881,676	7,604,138	2,824,234	2,894,133
<b>Total assets</b>		<b>356,875</b>	<b>294,934</b>	<b>7,958,724</b>	<b>7,733,261</b>	<b>2,851,384</b>	<b>2,930,383</b>
<b>Liabilities</b>							
Distribution payable	5	165	190	24,079	60,479	6,581	9,732
Payables		347	295	5,906	11,826	3,585	7,835
Due to brokers - payable for securities purchased		-	116	1,826	-	702	-
<b>Total liabilities</b>		<b>512</b>	<b>601</b>	<b>31,811</b>	<b>72,305</b>	<b>10,868</b>	<b>17,567</b>
<b>Net assets attributable to unitholders (equity)</b>	4	<b>356,363</b>	<b>294,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>-</b>	<b>-</b>	<b>7,926,913</b>	<b>7,660,956</b>	<b>2,840,516</b>	<b>2,912,816</b>

	Notes	Vanguard Growth Index Fund		Vanguard High Growth Index Fund	
		31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Cash and cash equivalents		5,782	13,702	5,918	14,958
Receivables		5,487	5,377	3,813	7,375
Accrued income		59,750	88,507	48,247	80,424
Due from brokers - receivable for securities sold		27,696	74,702	29,112	58,040
Financial assets at fair value through profit or loss	3	10,271,534	9,332,666	8,537,052	7,490,927
<b>Total assets</b>		<b>10,370,249</b>	<b>9,514,954</b>	<b>8,624,142</b>	<b>7,651,724</b>
<b>Liabilities</b>					
Distribution payable	5	37,413	97,382	41,216	87,257
Payables		4,611	11,243	3,551	6,150
Due to brokers - payable for securities purchased		2,757	-	2,267	3,000
<b>Total liabilities</b>		<b>44,781</b>	<b>108,625</b>	<b>47,034</b>	<b>96,407</b>
<b>Net assets attributable to unitholders (liability)</b>	4	<b>10,325,468</b>	<b>9,406,329</b>	<b>8,577,108</b>	<b>7,555,317</b>

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

# Statements of changes in equity

For the half-year ended 31 December 2023

	Notes	Vanguard Diversified Bond Index Fund		Vanguard Balanced Index Fund		Vanguard Conservative Index Fund	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		294,333	298,782	-	-	-	-
<b>Comprehensive income for the half-year</b>							
Profit/(loss) for the half-year		11,811	(8,840)	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		11,811	(8,840)	-	-	-	-
<b>Transactions with unitholders</b>							
Applications		80,779	33,190	-	-	-	-
Redemptions		(30,081)	(38,881)	-	-	-	-
Units issued upon reinvestment of distributions		18	5	-	-	-	-
Distributions paid and payable	5	(497)	(211)	-	-	-	-
<b>Total transactions with unitholders</b>		50,219	(5,897)	-	-	-	-
<b>Total equity at the end of the half-year</b>	4	356,363	284,045	-	-	-	-

	Notes	Vanguard Growth Index Fund		Vanguard High Growth Index Fund	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		-	-	-	-
<b>Comprehensive income for the half-year</b>					
Profit/(loss) for the half-year		-	-	-	-
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	-	-	-
<b>Transactions with unitholders</b>					
Applications		-	-	-	-
Redemptions		-	-	-	-
Units issued upon reinvestment of distributions		-	-	-	-
Distributions paid and payable	5	-	-	-	-
<b>Total transactions with unitholders</b>		-	-	-	-
<b>Total equity at the end of the half-year</b>	4	-	-	-	-

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

# Statements of cash flows

For the half-year ended 31 December 2023

	Notes	Vanguard Diversified Bond Index Fund		Vanguard Balanced Index Fund		Vanguard Conservative Index Fund	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments at fair value through profit or loss		10,040	21,465	315,110	308,104	225,234	202,570
Purchases of financial instruments at fair value through profit or loss		(16,763)	(15,170)	(48,526)	(213,554)	(2,191)	(42,866)
Interest received		10	2	250	66	80	22
Other income received		-	1	59	34	17	17
Responsible Entity's fees paid		(102)	(97)	(2,605)	(2,656)	(1,049)	(1,178)
Operating expenses paid		(1)	(1)	(2)	(2)	(1)	(1)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(6,816)</b>	<b>6,200</b>	<b>264,286</b>	<b>91,992</b>	<b>222,090</b>	<b>158,564</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders		37,003	33,045	666,637	732,271	198,514	238,186
Payments for redemptions by unitholders		(30,032)	(39,263)	(841,737)	(691,682)	(399,482)	(361,833)
Distributions paid from operating activities		(504)	(153)	(92,456)	(136,766)	(21,049)	(36,087)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>6,467</b>	<b>(6,371)</b>	<b>(267,556)</b>	<b>(96,177)</b>	<b>(222,017)</b>	<b>(159,734)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>							
Cash and cash equivalents at the beginning of the half-year		537	225	8,104	6,676	2,049	2,152
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the half-year</b>		<b>188</b>	<b>54</b>	<b>4,834</b>	<b>2,491</b>	<b>2,122</b>	<b>982</b>
<b>Non-cash financing activities</b>							
During the half-year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan		18	5	10,159	14,700	2,612	4,629
Receipt of promissory note in exchange of the Fund holdings in the corresponding Vanguard Wholesale Fund	2	43,782	-	144,209	-	35,703	-
<b>Total non-cash financing activities</b>		<b>43,800</b>	<b>5</b>	<b>154,368</b>	<b>14,700</b>	<b>38,315</b>	<b>4,629</b>

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 Growth Index Fund		Vanguard High Growth Index Fund	
		31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments at fair value through profit or loss		176,524	267,863	154,917	149,403
Purchases of financial instruments at fair value through profit or loss		(266,527)	(387,225)	(308,373)	(504,849)
Interest received		333	81	299	78
Other income received		32	37	65	119
Responsible Entity's fees paid		(3,415)	(3,153)	(2,740)	(2,291)
Operating expenses paid		(5)	(2)	(9)	(6)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(93,058)</b>	<b>(122,399)</b>	<b>(155,841)</b>	<b>(357,546)</b>
<b>Cash flows from financing activities</b>					
Proceeds from applications by unitholders		902,961	931,104	735,552	809,071
Payments for redemptions by unitholders		(684,047)	(632,969)	(469,826)	(297,300)
Distributions paid from operating activities		(133,776)	(181,618)	(118,940)	(158,011)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>85,138</b>	<b>116,517</b>	<b>146,786</b>	<b>353,760</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the half-year		13,702	8,949	14,958	7,943
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	15	-
<b>Cash and cash equivalents at the end of the half-year</b>		<b>5,782</b>	<b>3,067</b>	<b>5,918</b>	<b>4,157</b>
<b>Non-cash financing activities</b>					
During the half-year, the distribution payments satisfied by the issue of units under the distribution reinvestment plan		25,461	33,063	28,195	35,977
Receipt of promissory note in exchange of the Fund holdings in the corresponding Vanguard Wholesale Fund	2	263,384	-	364,178	-
<b>Total non-cash financing activities</b>		<b>288,845</b>	<b>33,063</b>	<b>392,373</b>	<b>35,977</b>

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

# Notes to the financial statements

For the half-year ended 31 December 2023

## 1 General information

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

- Vanguard Diversified Bond Index Fund 17 December 2010
- Vanguard Balanced Index Fund 30 July 2002
- Vanguard Conservative Index Fund 30 July 2002
- Vanguard Growth Index Fund 30 July 2002
- Vanguard High Growth Index Fund 30 July 2002

The Responsible Entity of the Vanguard Diversified 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 predominantly invest in the Vanguard Wholesale Funds, a group of unlisted unit trusts which are also managed by the Responsible Entity. The Funds seek to track the weighted average return of the various indices of the underlying Vanguard Wholesale Funds in which they invest, in proportion to their strategic asset allocation, before taking into account fees, expenses and tax. The weights used are the strategic asset allocations to each asset class, for each individual Fund.

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

Distribution income from the statement of comprehensive income and financial instruments at fair value as represented in the balance sheet are income and investments in Vanguard wholesale products. All investment transactions are with affiliated Vanguard wholesale products and are conducted in the normal course of business.

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.

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.

# 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)

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 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)

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.

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.

# 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)

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 Diversified 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
<b>Financial assets at fair value through profit or loss</b>								
Unlisted unit trusts	-	354,055	-	354,055	-	292,828	-	292,828
<b>Total</b>	-	354,055	-	354,055	-	292,828	-	292,828

	Vanguard Balanced 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
<b>Financial assets at fair value through profit or loss</b>								
Unlisted unit trusts	-	7,881,676	-	7,881,676	-	7,604,138	-	7,604,138
<b>Total</b>	-	7,881,676	-	7,881,676	-	7,604,138	-	7,604,138

	Vanguard Conservative 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
<b>Financial assets at fair value through profit or loss</b>								
Unlisted unit trusts	-	2,824,234	-	2,824,234	-	2,894,133	-	2,894,133
<b>Total</b>	-	2,824,234	-	2,824,234	-	2,894,133	-	2,894,133

# 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 Growth 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
<b>Financial assets at fair value through profit or loss</b>								
Unlisted unit trusts	-	10,271,534	-	10,271,534	-	9,332,666	-	9,332,666
<b>Total</b>	-	10,271,534	-	10,271,534	-	9,332,666	-	9,332,666

	Vanguard High Growth 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
<b>Financial assets at fair value through profit or loss</b>								
Unlisted unit trusts	-	8,537,052	-	8,537,052	-	7,490,927	-	7,490,927
<b>Total</b>	-	8,537,052	-	8,537,052	-	7,490,927	-	7,490,927

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 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.

## 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.

# Notes to the financial statements (continued)

For the half-year ended 31 December 2023

## 4 Net assets attributable to unitholders (continued)

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 Diversified Bond Index Fund has no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

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

	Vanguard Diversified Bond Index Fund			
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	No. '000	No. '000	\$'000	\$'000
Balance as at 1 July	365,849	366,843	294,333	298,782
Applications	101,981	40,884	80,779	33,190
Redemptions	(37,664)	(48,496)	(30,081)	(38,881)
Units issued upon reinvestment of distributions	23	7	18	5
Distributions paid and payable	-	-	(497)	(211)
Profit/(loss) for the half-year	-	-	11,811	(8,840)
<b>Closing balance as at 31 December</b>	<b>430,189</b>	<b>359,238</b>	<b>356,363</b>	<b>284,045</b>

	Vanguard Balanced 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	5,255,331	5,423,233	7,035,275	6,888,902	12,282	12,226	625,681	588,646
Applications	604,834	542,508	804,621	703,427	140	545	7,158	26,984
Redemptions	(588,639)	(527,160)	(786,377)	(681,902)	(960)	(30)	(49,414)	(1,446)
Units issued upon reinvestment of distributions	7,081	10,455	9,400	13,201	15	31	759	1,499
Increase/(decrease) in net assets attributable to unitholders	-	-	257,397	36,268	-	-	22,413	2,576
<b>Closing balance as at 31 December</b>	<b>5,278,607</b>	<b>5,449,036</b>	<b>7,320,316</b>	<b>6,959,896</b>	<b>11,477</b>	<b>12,772</b>	<b>606,597</b>	<b>618,259</b>

	Vanguard Conservative 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	2,417,593	2,710,358	2,703,859	2,934,830	4,250	4,832	208,957	229,965
Applications	208,265	214,221	231,774	234,054	65	79	3,204	3,876
Redemptions	(343,628)	(319,071)	(382,957)	(347,935)	(250)	(220)	(12,276)	(10,504)
Units issued upon reinvestment of distributions	2,194	4,002	2,428	4,306	4	7	184	323
Increase/(decrease) in net assets attributable to unitholders	-	-	79,130	(13,958)	-	-	6,213	(1,148)
<b>Closing balance as at 31 December</b>	<b>2,284,424</b>	<b>2,609,510</b>	<b>2,634,234</b>	<b>2,811,297</b>	<b>4,069</b>	<b>4,698</b>	<b>206,282</b>	<b>222,512</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2023

## 4 Net assets attributable to unitholders (continued)

	Vanguard Growth 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	6,119,511	5,909,685	8,713,970	7,755,683	12,769	11,554	692,359	577,331
Applications	799,763	654,311	1,132,437	885,500	631	830	34,015	42,708
Redemptions	(472,768)	(461,148)	(673,727)	(623,831)	(65)	(40)	(3,619)	(1,978)
Units issued upon reinvestment of distributions	16,179	22,573	22,861	29,465	48	72	2,600	3,598
Increase/(decrease) in net assets attributable to unitholders	-	-	375,210	158,072	-	-	29,362	11,559
<b>Closing balance as at 31 December</b>	<b>6,462,685</b>	<b>6,125,421</b>	<b>9,570,751</b>	<b>8,204,889</b>	<b>13,383</b>	<b>12,416</b>	<b>754,717</b>	<b>633,218</b>

	Vanguard High Growth 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	3,171,528	2,834,904	5,552,367	4,444,519	34,745	31,068	2,002,950	1,604,258
Applications	600,134	397,642	1,042,477	649,520	940	2,925	53,684	157,176
Redemptions	(247,794)	(180,262)	(434,710)	(295,211)	(550)	-	(32,439)	-
Units issued upon reinvestment of distributions	6,718	8,828	11,666	13,775	289	432	16,529	22,202
Increase/(decrease) in net assets attributable to unitholders	-	-	275,115	154,574	-	-	89,469	55,853
<b>Closing balance as at 31 December</b>	<b>3,530,586</b>	<b>3,061,112</b>	<b>6,446,915</b>	<b>4,967,177</b>	<b>35,424</b>	<b>34,425</b>	<b>2,130,193</b>	<b>1,839,489</b>

### 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.

## 5 Distributions to unitholders paid and payable

The distributions during the half-year were as follows:

	Vanguard Diversified Bond Index Fund			
	31 Dec 2023 \$'000	31 Dec 2022 CPU	31 Dec 2022 \$'000	31 Dec 2022 CPU
Distributions paid				
- 30 September	332	0.0882	158	0.0423
Distributions payable				
- 31 December	165	0.0384	53	0.0147
	<b>497</b>	<b>0.1266</b>	<b>211</b>	<b>0.0570</b>

# Notes to the financial statements (continued)

For the half-year ended 31 December 2023

## 5 Distributions to unitholders paid and payable (continued)

	Vanguard Balanced 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	39,110	0.7475	35,927	0.6544	3,026	24.9166	3,136	24.9331
Distributions payable								
- 31 December	22,629	0.4287	20,607	0.3782	1,450	12.3801	1,892	14.5862
	<b>61,739</b>	<b>1.1762</b>	<b>56,534</b>	<b>1.0326</b>	<b>4,476</b>	<b>37.2967</b>	<b>5,028</b>	<b>39.5193</b>

	Vanguard Conservative 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	12,925	0.5509	10,432	0.3867	1,004	24.2613	824	17.1808
Distributions payable								
- 31 December	6,093	0.2667	5,970	0.2288	488	11.7900	490	10.2397
	<b>19,018</b>	<b>0.8176</b>	<b>16,402</b>	<b>0.6155</b>	<b>1,492</b>	<b>36.0513</b>	<b>1,314</b>	<b>27.4205</b>

	Vanguard Growth 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	57,334	0.9236	52,625	0.8639	4,521	35.1183	3,918	32.8540
Distributions payable								
- 31 December	34,539	0.5345	28,870	0.4713	2,874	20.7403	2,338	18.0881
	<b>91,873</b>	<b>1.4581</b>	<b>81,495</b>	<b>1.3352</b>	<b>7,395</b>	<b>55.8586</b>	<b>6,256</b>	<b>50.9421</b>

	Vanguard High Growth 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	44,613	1.3734	38,883	1.3039	15,265	45.2801	13,590	42.8686
Distributions payable								
- 31 December	30,221	0.8560	22,944	0.7495	10,995	28.7800	9,263	24.8061
	<b>74,834</b>	<b>2.2294</b>	<b>61,827</b>	<b>2.0534</b>	<b>26,260</b>	<b>74.0601</b>	<b>22,853</b>	<b>67.6747</b>

## 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 unlisted unit trusts 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).

# Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 8 to 19 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



## Independent auditor's review report

To the unitholders of:

- Vanguard Diversified Bond Index Fund
- Vanguard Balanced Index Fund\*
- Vanguard Conservative Index Fund\*
- Vanguard Growth Index Fund\*
- Vanguard High Growth Index Fund\*

referred to collectively as the Vanguard Diversified 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 Diversified 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 Diversified 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.

#### **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.

PricewaterhouseCoopers, ABN 52 780 433 757  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
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### ***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 cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

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

Adrian Gut  
Partner

Melbourne  
13 March 2024

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