



Vanguard[®]

Vanguard Wholesale Funds 2020 Crossing Days



January 2020

What is a 'crossing'?

A 'crossing' or 'special spread' occurs when redeeming units are able to be used to satisfy applications for units received on the same day.

How does a crossing generate savings?

The savings arise because Vanguard doesn't need to buy or sell securities on-market to the extent that a crossing occurs. Thus, the trading costs associated with the buying and selling of securities are lower than normal.

How do these savings get passed on to clients?

Each investor who buys or sells units on the day a crossing occurs receives a saving via a reduction in the normal buy or sell spreads. Buyers get more units for the application monies and sellers get more dollars for the units they withdraw.

Why does Vanguard pass on these savings?

The buy/sell spread costs for each fund is Vanguard's reasonable estimate of the transaction costs, eg. brokerage, custody and market impact, the fund will incur when buying and selling securities to invest application amounts and meet withdrawals. The buy/sell spread costs are paid to the funds to meet these expenses and are not received by Vanguard.

We believe that the cost savings from crossings should be passed onto those investors who generate the crossing opportunities. This is why we reduce the spreads for the transacting investors, on days when a fund receives

applications and withdrawals of over \$500,000 rather than allowing the cost savings to flow to all investors in the Fund.

Monthly Crossing Days

While normal crossings will continue to occur on other business days, clients may use the monthly Crossing Days (a pre-determined day each month set by us) to try and increase the likelihood of benefiting from a crossing by timing their transactions to occur on that day.

The Crossing Days for 2020 are set out below for your reference.

Monthly Crossing Days for 2020

Monday, 20 January 2020	Tuesday, 14 July 2020
Tuesday, 18 February 2020	Monday, 17 August 2020
Monday, 16 March 2020	Tuesday, 15 September 2020
Monday, 20 April 2020	Monday, 19 October 2020
Monday, 18 May 2020	Tuesday, 17 November 2020
Monday, 15 June 2020	Monday, 14 December 2020

Actual savings experienced depend on the applications and withdrawals on that day. We do not guarantee that clients who transact on a Crossing Day will receive a spread saving. In addition, Vanguard staff are not permitted to provide any indications of the total applications or withdrawals waiting to be processed on the next Crossing Day, or at any other time.

Please note that these dates are subject to change without notice. We recommend that you confirm the next Crossing Day with us before you send us your instruction.*

* Crossing days may be cancelled or introduced at any time with less than one day's notice. Individual circumstances may mean that it is not appropriate to time transactions so that they occur on a crossing day.

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