

Vanguard Canadian Aggregate Bond Index ETF

Trading information	
Ticker symbol	VAB
CUSIP	92203E101
SEDOL	B6QHK17
ISIN	CA92203E1016
Index ticker	I27378CA
Exchange	Toronto Stock Exchange
Currency	CAD
ETF facts	
Benchmark	Bloomberg Global Aggregate Canadian Float Adjusted Bond Index
Distribution schedule	Monthly
ETF total net assets	\$3,496 million
Inception date	November 30, 2011
Eligibility	RRSP, RRIF, RESP, TFSA, DPSP, RDSP, Non-reg
Management fee*	0.08%
MER†	0.09%

Objective

The fund seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian bond index. Currently, this Vanguard ETF seeks to track the Bloomberg Global Aggregate Canadian Float Adjusted Bond Index (or any successor thereto). It invests primarily in public, investment-grade fixed income securities issued in Canada.

About the benchmark

- The Bloomberg Global Aggregate Canadian Float Adjusted Bond Index measures the investment return of investment-grade securities issued in Canada—including government, government-related and corporate products—all with maturities greater than one year.

Performance summary

VAB year-end NAV calendar returns as of December 31, 2020.

	Net of expenses
2016	1.34%
2017	2.24%
2018	1.34%
2019	6.58%
2020	8.55%

Performance history

Total returns for period ending August 31, 2021

	3 months	Year to date	1 year	3 years	5 years	Since inception
VAB Market price return	1.87%	-2.90%	-1.81%	4.35%	2.38%	3.29%
VAB Net asset value (NAV) return	1.83%	-2.75%	-1.90%	4.31%	2.39%	3.28%
Benchmark return	1.80%	-2.70%	-1.85%	4.38%	2.49%	—

The performance of an index is not an exact representation of any particular investment as you cannot invest directly in an index. The performance of the index does not reflect the deduction of any expenses which would have reduced total returns. Performance information of the Vanguard fund reflects waivers of certain expenses and/or fees. If the Vanguard fund had incurred all expenses, investment returns would have been reduced. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. The performance of the index and Vanguard fund is for illustrative purposes only.

Commissions, management fees, and expenses all may be associated with investment funds. Investment objectives, risks, fees, expenses, and other important information are contained in the prospectus; please read it before investing. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. Vanguard funds are managed by Vanguard Investments Canada Inc. and are available across Canada through registered dealers.

* The management fee is equal to the fee paid by the Vanguard fund to Vanguard Investments Canada Inc., and does not include applicable taxes or other fees and expenses of the Vanguard fund.

† The management expense ratio (MER) is the MER as of December 31, 2020, including waivers and absorptions and is expressed as an annualized percentage of the daily average net asset value. The MER would have been 0.09% without any absorptions or waivers. Vanguard Investments Canada Inc. expects to continue absorbing or waiving certain fees indefinitely but may, in its discretion, discontinue this practice at any time.

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ETF characteristics

	VAB	Benchmark
Number of bonds	1,084	1,082
Effective YTM	1.59%	1.59%
Average coupon	2.9%	2.8%
Average maturity	10.9 years	10.9 years
Average quality	AA-	AA-
Average duration	8.2 years	8.2 years

Effective YTM represents the weighted average of the ETF's individual bond holdings' yield to maturities and is calculated based on the market value of each fixed income investment. Yield to maturity incorporates expected capital gains or losses into the calculation, but ETFs generally do not hold bonds to maturity, so the fund will never actually receive the return stated. The calculation does not include fees and expenses that might be part of the funds' investments.

Sector weighting

	VAB
Provincials/municipals	42.3%
Treasury/federal	22.9
Corporate - financial institutions	10.8
Government-related - agencies	10.6
Industrial	9.9
Utilities	2.5
Government-related - supranationals	1.0

Asset mix by credit maturity

	VAB
Under 1 Year	0.0%
1 - 5 Years	40.7
5 - 10 Years	26.0
10 - 15 Years	4.4
15 - 20 Years	6.4
20 - 25 Years	7.1
Over 25 Years	15.4

Asset mix by credit quality

	VAB
AAA	35.2%
AA	43.0
A	13.7
BBB	8.1
Not Rated	0.0

Credit quality ratings for each issue are obtained from Bloomberg using ratings derived from Moody's Investor Service, Fitch Ratings, DBRS and Standard & Poor's. When ratings from all four agencies are available, the highest and lowest rating will be removed thus the lower of the two remaining ratings will be used. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, the rating is used.

Volatility

	R-Squared	Beta	Tracking error
VAB	100.00%	1.00	0.16%

R-squared, beta and tracking error are calculated from the 36-month fund returns relative to the benchmark.

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All investments are subject to risk, including the possible loss of principal.

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