



Vanguard®

Factsheet | October 31, 2019

VSC

Vanguard Canadian Short-Term Corporate Bond Index ETF

Trading information

Ticker symbol	VSC
CUSIP	92203N101
SEDOL	B7Z7D83
ISIN	CA92203N1015
Index ticker	BGC5TRDU
Exchange	Toronto Stock Exchange
Currency	CAD

ETF facts

Benchmark	Bloomberg Barclays Global Aggregate Canadian Credit 1–5 Year Float Adjusted Bond Index
Distribution schedule	Monthly
ETF total net assets	\$1,193 million
Inception date	November 2, 2012
Eligibility	RRSP, RRIF, RESP, TFSA, DPSP, RDSP, Non-reg
Management fee*	0.10%
MER†	0.11%

Objective

The fund seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian credit bond index with a short-term dollar-weighted average maturity. Currently, this Vanguard ETF seeks to track the Bloomberg Barclays Global Aggregate Canadian Credit 1–5 Year Float Adjusted Bond Index (or any successor thereto). It invests primarily in public, investment-grade non-government fixed income securities issued in Canada.

About the benchmark

- The market-cap-weighted Bloomberg Barclays Global Aggregate Canadian Credit 1–5 Year Float Adjusted Bond Index measures the investment return of public investment-grade non-government securities issued in Canada with maturities between one and five years.

Performance summary

VSC year-end NAV calendar returns as of December 31, 2018.

	Net of expenses
2014	3.40%
2015	2.54%
2016	2.17%
2017	0.93%
2018	1.72%

Performance history

Total returns for period ending October 31, 2019

	3 months	Year to date	1 year	3 years	5 years	Since inception
VSC Market price return	0.45%	4.44%	5.48%	2.08%	2.37%	2.51%
VSC Net asset value (NAV) return	0.43%	4.44%	5.34%	2.11%	2.41%	2.50%
Benchmark return	0.50%	4.33%	5.51%	2.27%	2.55%	2.66%

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, 2018, including waivers and absorptions and is expressed as an annualized percentage of the daily average net asset value. The MER would have been 0.11% 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.

Vanguard Canadian Short-Term Corporate Bond Index ETF

ETF characteristics

	VSC	Benchmark
Number of bonds	305	305
Effective YTM	2.30%	2.30%
Average coupon	2.9%	2.9%
Average maturity	3.0 years	3.0 years
Average quality	A	A
Average duration	2.8 years	2.8 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

	VSC
Corporate - financial institutions	64.8%
Industrial	28.0
Utilities	3.3
Government-related - supranationals	3.3
Government-related - agencies	0.5
Treasury/federal	0.1

Asset mix by credit maturity

	VSC
Under 1 Year	0.0%
1 - 2 Years	23.6
2 - 3 Years	22.4
3 - 4 Years	22.9
4 - 5 Years	26.5
Over 5 Years	4.6

Asset mix by credit quality

	VSC
AAA	3.9%
AA	29.1
A	31.4
BBB	32.5
Not Rated	3.1

Credit quality ratings for each issue are obtained from Barclays 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
VSC	98.00%	0.99	0.20%

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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