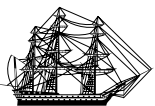


# Investing made simple

Vanguard asset allocation ETFs



**Vanguard**<sup>®</sup>

# Vanguard asset allocation ETFs

Since our inception in 1975, Vanguard has adhered to a core investment philosophy to help guide our clients' investment decisions. This philosophy can be seen in Vanguard's four principles for investing success:

- Create clear, appropriate investment goals.
- Develop a suitable asset allocation using broadly diversified funds.
- Minimize cost.
- Maintain perspective and long-term discipline.

Decades of experience and research have shown that investors are well-served by following these principles. But even with the best of intentions, it can be hard to tune out the "noise" about the economy, the markets or the performance of an individual security or strategy.

That's why we offer Vanguard asset allocation ETFs. They embody all of our investment principles in one simple solution.

You choose the ETF whose investment objective best suits your goals and risk tolerance, then Vanguard takes care of the rest. Each portfolio is regularly rebalanced to its approximate target asset allocation.

Setting and maintaining an appropriate asset allocation is critical for long-term investing success. And yet, adhering to a disciplined rebalancing strategy can be especially challenging: It feels counter-intuitive to sell assets that have been performing especially well in order to restore a portfolio to its targets. Our asset allocation ETFs do the rebalancing for you—no emotion and no distraction. And they have Vanguard's hallmark low costs.

## All-in-one diversified portfolios

- Vanguard's three new ETFs are designed to simplify investment management and mitigate risk through asset allocation.
- Each portfolio is a single-ticket solution providing broad global diversification using different blends of seven core Vanguard ETFs.
- Regular rebalancing helps to maintain exposure, across key sub-asset classes, to the target allocations and risk levels.
- Low costs help investors keep more of the portfolios' potential returns.

## Vanguard is a leader in portfolio solutions

Vanguard is one of the world's leading asset managers, with more than \$6 trillion in assets under management (AUM) globally. In addition to a broad and deep menu of indexed and actively managed equity and fixed income mutual funds and ETFs, we are a leader in single-fund solutions. We have more than \$1 trillion in AUM in balanced, target-date and target-risk funds combined.

In the United States, we're the largest provider of target-date funds. Globally, we have almost \$800 billion in these funds, which are intended primarily for retirement savers. And we have more than \$80 billion in global AUM in target-risk funds.

	Vanguard Conservative ETF Portfolio	Vanguard Balanced ETF Portfolio	Vanguard Growth ETF Portfolio
Ticker	VCNS	VBAL	VGRO
Management fee <sup>1</sup>	0.22%	0.22%	0.22%
Investment objective	Seeks to provide a combination of income and moderate long-term capital growth by investing in equity and fixed income securities.	Seeks to provide long-term capital growth with a moderate level of income by investing in equity and fixed income securities.	Seeks to provide long-term capital growth by investing in equity and fixed income securities.
Investment strategy	Invests primarily in equity and fixed income securities, either directly or indirectly through investment in seven underlying low-cost Vanguard index ETFs.	Invests primarily in equity and fixed income securities, either directly or indirectly through investment in seven underlying low-cost Vanguard index ETFs.	Invests primarily in equity and fixed income securities, either directly or indirectly through investment in seven underlying low-cost Vanguard index ETFs.
For investors who:	<ul style="list-style-type: none"> <li>• Are looking for income and moderate long-term growth.</li> <li>• Want some growth potential but with less exposure to stock market risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Are looking for long-term growth with a moderate level of income.</li> <li>• Want more growth potential and accept added exposure to stock market risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Are looking for long-term growth.</li> <li>• Accept significant exposure to stock market risk in exchange for more growth potential.</li> </ul>
Risk rating			
Distribution schedule	Quarterly	Quarterly	Quarterly
Long-term strategic asset allocation (approximate)			
Target allocation to underlying ETFs <sup>2</sup>			
Canadian equity	12.0%	18.0%	24.0%
U.S. equity	15.0%	22.6%	30.1%
Developed ex North America equity	10.0%	15.0%	20.0%
Emerging markets equity	3.0%	4.4%	5.9%
Canadian fixed income	35.2%	23.5%	11.7%
U.S. fixed income (CAD hedged)	10.8%	7.2%	3.6%
Global ex U.S. fixed income (CAD hedged)	14.0%	9.3%	4.7%
	100.0%	100.0%	100.0%
Regional allocation			

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

For any Vanguard ETF which invests in underlying Vanguard fund(s), there shall be no duplication of management fees chargeable in connection with the Vanguard ETF and its investment in the Vanguard fund(s).

2 Target allocations shown are as of December 31, 2017. The three new asset allocation ETFs were listed on the Toronto Stock Exchange on February 1, 2018.

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WE'RE IN IT TOGETHER

**Commissions, management fees, and expenses all may be associated with investments in a Vanguard ETF®. Investment objectives, risks, fees, expenses, and other important information are contained in the prospectus; please read it before investing. ETFs are not guaranteed, their values change frequently, and past performance may not be repeated. Vanguard ETFs® are managed by Vanguard Investments Canada Inc., an indirect wholly owned subsidiary of The Vanguard Group, Inc., and are available across Canada through registered dealers.**

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