



PRESS RELEASE

VANGUARD CANADA CONTINUES TO LOWER THE COST OF INVESTING WITH FEE REDUCTIONS ON THREE PASSIVE CANADIAN BOND ETFs

- **This marks Vanguard's sixth fee reduction in the last seven years on its Canadian ETFs**
- **All three ETFs will have new management fees of 0.15%**
- **Vanguard's average management expense ratios (MER) on its ETFs are 57% lower than the industry average¹**

TORONTO (May 19, 2020) — Vanguard Investments Canada Inc. announced that it has lowered the management fee on three of its Canadian bond ETFs to 0.15%, the Vanguard Canadian Long-Term Bond Index ETF (VLB), the Vanguard Canadian Government Bond Index ETF (VGV) and the Vanguard Canadian Corporate Bond Index ETF (VCB).

“Vanguard has an unwavering commitment to help investors achieve better outcomes by lowering the cost of investing. For us, low costs are not a pricing strategy. We are built to pass on the benefits of our size and scale to investors in helping them achieve investment success,” said Kathy Bock, Managing Director and Head of Vanguard Investments Canada Inc. “This is even more important in the current market climate, where low returns mean that costs erode an even larger share of returns than they would normally.”

“The past few months have been incredibly challenging for investors and financial advisors with extreme market volatility and a sharp drop in the financial markets. In this environment, high quality bond ETFs can play a key role as a stabilizing force in a portfolio and we are pleased to support investors with these fee reductions to help them keep more of their returns,” said Scott Johnston, Head of Product, Vanguard Investments Canada Inc.

Low Fees and the “Vanguard Effect” in Canada

“Lowering fees is business as usual at Vanguard. This is our sixth significant fee reduction in the last seven years and continues our trend of passing on cost-savings to investors, following fee reductions in [2013](#), [2014](#), [2015](#), [2018](#) and [2019](#). These reductions have saved Canadians over \$10 million to put back into their portfolios.” added Bock.

The cost of Vanguard ETFs are 57% lower than the ETF industry average¹, based on the asset-weighted management expense ratios (MERs). Additionally, industry investment fees have come down significantly over the past several years, helping Canadians keep more of their investment dollars, a phenomenon that has taken place in the United States, the United Kingdom and Australia following Vanguard's entry into each market and has been called the "Vanguard Effect". Since 2013, Vanguard's fee reductions have saved Canadian investors over \$10 million (CAD).²

For more information on Vanguard's broad pricing impact on the ETF market, please see [this infographic](#).

Effective on May 15, 2020 the management fees for the following ETFs were reduced as follows:

Vanguard ETF™	TSX ticker symbol	New annual management fee	Old annual management fee
Vanguard Canadian Long-Term Bond Index ETF	VLB	0.15%	0.17%
Vanguard Canadian Government Bond Index ETF	VGX	0.15%	0.25%
Vanguard Canadian Corporate Bond Index ETF	VCB	0.15%	0.23%

Vanguard Canadian Long-Term Bond Index ETF (TSX:VLB) – Vanguard Canadian Long-Term Bond Index ETF seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian bond index with a long-term dollar weighted average maturity. Currently, this Vanguard ETF seeks to track the Bloomberg Barclays Global Aggregate Canadian 10+ Year Float Adjusted Bond Index (or any successor thereto). It invests primarily in public, investment-grade fixed income securities issued in Canada.

Vanguard Canadian Government Bond Index ETF (TSX:VGX) – Vanguard Canadian Government Bond Index ETF seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian government bond index. Currently, this Vanguard ETF seeks to track the Bloomberg Barclays Global Aggregate Canadian Government Float Adjusted Bond Index (or any

successor thereto). It invests primarily in public, investment-grade government fixed income securities issued in Canada.

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

¹Sources: Vanguard, Strategic Insight and Morningstar Direct. Calculated as the percentage change between the industry (37 bps) and Vanguard (16 bps).

²Since Vanguard entered the market in 2011, Canadian investors have realized nearly \$10 million in cumulative savings through expense reductions on our ETFs. Sources: Vanguard, Strategic Insight and Morningstar Direct.

About Vanguard

Canadians own CAD \$40 billion in Vanguard assets, including Canadian and U.S.-domiciled ETFs, Canadian institutional products and Canadian mutual funds. Vanguard Investments Canada Inc. manages CAD \$23 billion in assets (as of March 31, 2020) with 40 Canadian ETFs, four mutual funds, 12 target retirement funds and eight pooled funds currently available. The Vanguard Group, Inc. is one of the world's largest investment management companies and a leading provider of company-sponsored retirement plan services. Vanguard manages USD \$5.3 trillion (CAD \$7.5 trillion) in global assets, including over USD \$1 trillion (CAD \$1.4 trillion) in global ETF assets (as of March 31, 2020). Vanguard has offices in the United States, Canada, Mexico, Europe, Australia and Asia. The firm offers 425 funds, including ETFs, to its more than 30 million investors worldwide.

Vanguard operates under a unique operating structure. Unlike firms that are publicly held or owned by a small group of individuals, The Vanguard Group, Inc. is owned by Vanguard's U.S.-domiciled funds and ETFs. Those funds, in turn, are owned by Vanguard clients. This unique mutual structure aligns Vanguard interests with those of its investors and drives the culture, philosophy, and policies throughout the Vanguard organization worldwide. As a result, Canadian investors benefit from Vanguard's stability and experience, low-cost investing, and client focus. For more information, please visit vanguardcanada.ca.

###

For more information, please contact:

Matt Gierasimczuk

Vanguard Canada Public Relations

Phone: 416-263-7087

matthew_gierasimczuk@vanguard.com

[Important information](#)

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.

This material is for informational purposes only. This material is not intended to be relied upon as research, investment, or tax advice and is not an implied or express recommendation, offer or solicitation to buy or sell any security or to adopt any particular investment or portfolio strategy. Any views and opinions expressed do not take into account the particular investment objectives,

needs, restrictions and circumstances of a specific investor and, thus, should not be used as the basis of any specific investment recommendation.

Please consult your financial and/or tax advisor for financial and/or tax information applicable to your specific situation.

All investments are subject to risk, including the possible loss of principal. Diversification does not ensure a profit or protect against a loss in a declining market.

Information, figures and charts are summarized for illustrative purposes only and are subject to change without notice.

This material does not constitute an offer or solicitation and may not be treated as an offer or solicitation in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so.

In this material, references to "Vanguard" are provided for convenience only and may refer to, where applicable, only The Vanguard Group, Inc., and/or may include its affiliates, including Vanguard Investments Canada Inc.