

PRESS RELEASE

Vanguard Launches Four New Asset Allocation Mutual Funds To Support Advisor Transition to Fee-Based Investing and Lower Costs For Advised Canadians

- Vanguard Canada, a leader in asset allocation ETF portfolios, launches low-cost mutual fund portfolios to expand ETF access to all financial advisors.
- Vanguard research shows Canadian investors are leaving almost \$1 billion on the table annually in the form of higher-cost balanced mutual funds.¹

TORONTO (FEBRUARY 20, 2025) — Vanguard Investments Canada Inc. today announced the availability of four new Asset Allocation Mutual Fund portfolios that provide greater access to its industry-leading low-cost and globally diversified ETF portfolios.

“When we initially launched our suite of Asset Allocation ETFs seven years ago, it broke new ground on a unique single-ticket, low-cost and globally diversified investing solution that has brought tremendous value to investors,” said Kathy Bock, Managing Director and Head of Vanguard Investments Canada Inc. “We are excited to expand these core investment portfolios to mutual fund investors, at a fraction of the average cost. Over time, those savings can translate into significant added returns for investors, allowing them to keep more of their hard-earned money.”

Multi-Asset Balanced funds represent ~45% (\$997 billion, as of December 31, 2024) of all mutual fund assets in Canada, but a recent [Morningstar Canada report²](#) found that Canadian preferences have shifted meaningfully in the past decade, as they are increasingly opting for lower-cost and more globally-diversified portfolios.

A Vanguard survey reinforces this, revealing that investment performance (68% percent) and low fees (50%) are what Canadian investors value the most when choosing an investment product.

The Morningstar report also highlighted how Canadian advisors and investors continue to pay high fees, averaging ~1.00%, before advice fees, for a 60/40 stock/bond portfolio, compared to Vanguard’s asset-weighted average fee of 0.26%. Vanguard research has shown that investors are leaving close to \$1 billion on the table in the fee-based balanced mutual fund market in Canada, per year.¹

Transition to fee-based advice

Within the balanced mutual fund category, advisors and investors are overwhelmingly shifting to commission-free or fee-based share classes, ensuring a stronger alignment of interests. Commission-based advice classes of mutual funds had outflows of \$74 billion from the start of 2022 to the end of 2023, while fee-based mutual funds and ETFs grew at \$9 billion in inflows, over the same time period.

“With enhanced regulatory requirements around fee transparency and product knowledge for advisors, there is greater awareness of the cost and suitability of investment products,” said Sal D’Angelo, Head of Product, Vanguard Canada. “Investment fees in Canada have declined and we hope to see this continue. Investors and advisors can’t control the financial markets but they can control the cost of their investment products and this compounds over time.”

[Recent Vanguard research](#) has found that Canadian investors highly value financial advisors, with particular focus on maintaining regular communication and building trust.

“These funds offer a simple and scalable solution for financial advisors which can help them focus on relationship-oriented services and guidance as they transition to a fee-based business,” D’Angelo added.

Figure A: The chart details the potential savings an investor would earn over a select period of time if the annual return was compounded with a lower-cost mutual fund versus a higher-cost option, based on an initial investment of \$100,000. An investor can potentially earn 36% more over 30 years with a lower cost investment option.

TOTAL SAVINGS	10 years	20 years	30 years
Vanguard asset allocation mutual funds	\$7,310	\$18,681	\$36,283
TOTAL AVERAGE EXPENSES			
Vanguard: 0.40%	\$5,479	\$14,905	\$31,122
Industry: 0.96%	\$12,789 ■	\$33,585 ■	\$67,404 ■

Here is a list of Vanguard's new Asset Allocation Mutual Fund Portfolios:

Vanguard All-Equity ETF Portfolio Fund (MF Code: VIC 1000) – seeks to provide long-term capital growth by investing primarily in equity securities. The management fee for the fund will be 0.22%. The strategic allocation is 100% equities.

Vanguard Growth ETF Portfolio Fund (MF Code: VIC8020) – seeks to provide long-term capital growth by investing in equity and fixed income securities. The management fee for the fund will be 0.22%. The strategic allocation is 80% equities and 20% fixed income.

Vanguard Balanced ETF Portfolio Fund (MF Code: VIC 6040) – seeks to provide long-term capital growth with a moderate level of income by investing in equity and fixed income securities. The management fee for the fund will be 0.22%. The strategic allocation is 60% equity and 40% fixed income.

Vanguard Conservative ETF Portfolio Fund (MF Code: VIC 4060) – seeks to provide a combination of income and moderate long-term capital growth by investing in equity and fixed income securities. The management fee for the fund will be 0.22%. The strategic allocation is 40% equity and 60% fixed income.

1 As per Vanguard's calculations based on Morningstar data regarding the fees based across all globally balanced mutual funds in Canada against the management expense ratio of Vanguard's new mutual funds (0.40%).

2 Source: 2024 [Morningstar Annual Canadian Balanced Landscape Report](#)

About Vanguard

Canadians own CAD \$130 billion in Vanguard assets, including Canadian and U.S.-domiciled ETFs and Canadian mutual funds. Vanguard Investments Canada Inc. manages CAD \$95 billion in assets (as of December 31, 2024) with 38 Canadian ETFs and ten mutual 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 \$10.1 trillion (CAD \$14.6 trillion) in global assets, including over USD \$3.2 trillion (CAD \$4.6 trillion) in global ETF assets (as of December 31, 2024). Vanguard has offices in the United States, Canada, Mexico, Europe and Australia. The firm offers 428 funds, including ETFs, to its more than 50 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 vanguard.ca.

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[Important information](#)

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