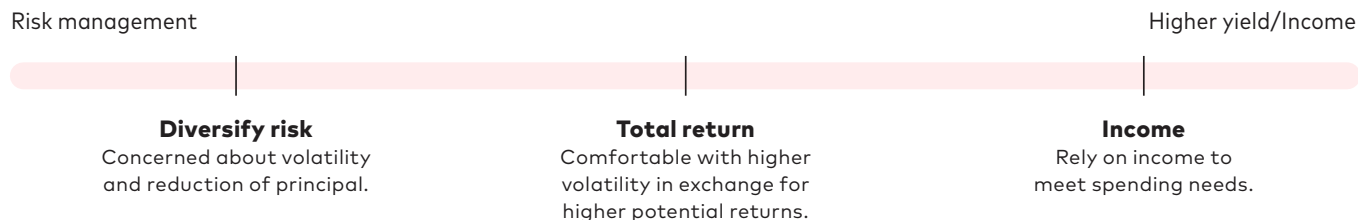


Fixed Income Investing

Building resilient portfolios with institutional-quality bond funds

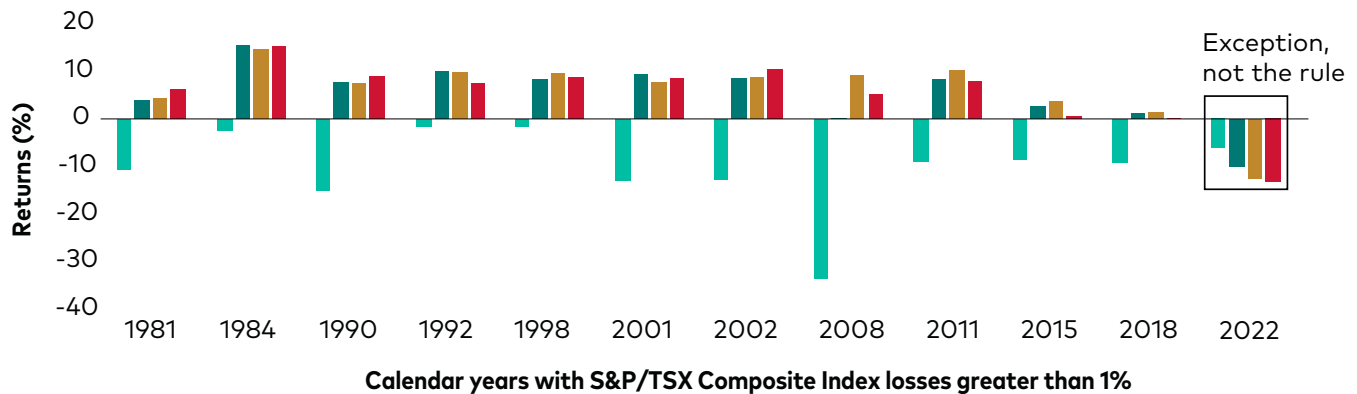
The role of bonds in portfolios

Bonds play a foundational role in building balanced, resilient portfolios. As stock markets naturally experience periods of volatility, bonds can help provide stability, generate income, and support diversification, complementing the growth potential of equities.



The primary role of bonds is to serve as ballast to equities - especially when equities are down

Over the past 40 years, the S&P/TSX Composite Index has had 12 calendar years with losses greater than 1%. In almost all of those years, investment-grade bonds still delivered positive returns. This shows how bonds can help stabilize your portfolio. It also makes 2022 stand out as a historically unusual year, given unique market dynamics.



■ Canadian Equity ■ Canadian Corporate Bond ■ Canadian Government Bond ■ U.S. Aggregate Bond

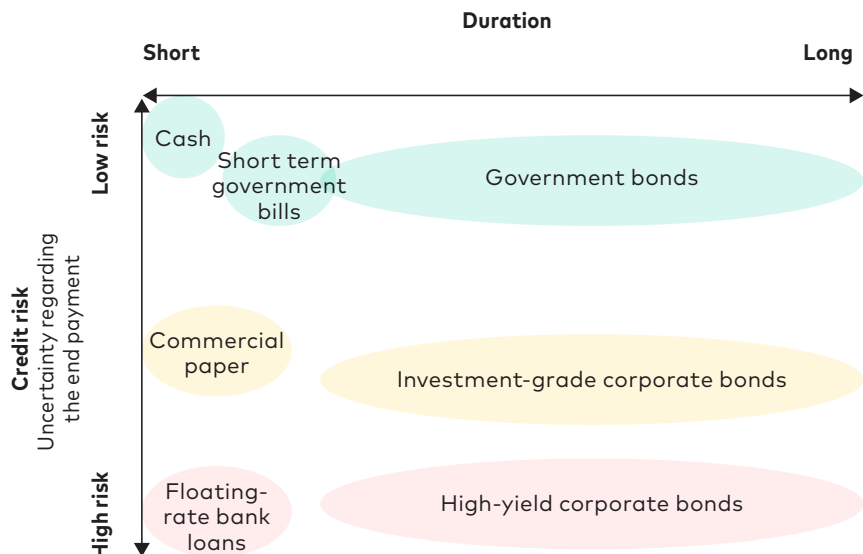
Notes: Canadian equities represented by the S&P/TSX Composite Index. Canadian Corporate Bonds represented by the FTSE Canada All Corporate Bond Index. Canadian Government Bonds represented by the FTSE Canada All Government Bond Index. U.S. Aggregate Bonds represented by the Bloomberg US Aggregate Bond Index. Total return in base currency. **Past performance is no guarantee of future results. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**

Source: Vanguard calculations from data provided by Morningstar as of December 31, 2025.

Understanding bonds by credit risk and duration

Bonds are measured by their credit risk and duration. Credit risk is shown through ratings that reflect the issuer's ability to repay, with lower-rated bonds offering higher yields to compensate for greater default risk. Duration measures a bond's sensitivity to interest rate changes; since bond prices move inversely to rates, longer duration bonds may experience larger price swings when rates shift.

Spectrum of risks in fixed income



Vanguard: A leader in fixed income

Vanguard Fixed Income Group is one of the world's largest managers of bond mutual funds and ETFs. For more than 40 years, Vanguard has distinguished itself with deep fixed income investment capabilities, disciplined security selection processes, and rigorous risk management techniques.

\$4.2T+ CAD¹
bonds managed globally

\$30B+ CAD¹
Canadian bonds managed



Decades of experience

As a pioneer of the first bond index fund in 1986, Vanguard has spent decades refining techniques in total-return management, credit research, index sampling, and risk management—all create opportunities that help protect investors during periods of uncertainty.



Global capabilities

Vanguard's large, globally distributed fixed income team brings deep expertise across regions.



Wide range of choices

Investors can access both broad market exposure and targeted fixed income segments through a comprehensive lineup.



Low costs

Vanguard maintains a strong focus on keeping costs low, helping ensure more of investors' money remains invested.



Credit research

Vanguard's credit analysts are an integral part of the process for both active and index based fixed income solutions.

Vanguard's range of high-quality, low-cost fixed income solutions serve as critical building blocks for effective investment strategies. With our disciplined approach and commitment to investor value, we can help investors meet their fixed income needs with confidence.

¹ As of June 30, 2026.

Vanguard fixed income solutions

Whether you need exposure to a broad market or more narrow segments of the fixed income market, well-defined, low-cost strategies from Vanguard can be a sound, prudent choice. Here's how we deliver key bond solutions that matter.

Index-based

Our index-based offerings are designed to deliver precise exposure, with strong adherence to stated objectives, tight tracking to benchmarks, and low costs. The indices we track are float adjusted to help ensure investability and liquidity.

CANADA			
VAB FER 0.08% ¹	Vanguard Canadian Aggregate Bond Index ETF	VCB FER 0.16% ¹	Vanguard Canadian Corporate Bond Index ETF
VGX FER 0.09% ¹	Vanguard Canadian Government Bond Index ETF	VLB FER 0.17% ¹	Vanguard Canadian Long-Term Bond Index ETF
VSB FER 0.10% ¹	Vanguard Canadian Short-Term Bond Index ETF	VSC FER 0.10% ¹	Vanguard Canadian Short-Term Corporate Bond Index ETF
VVSG FER 0.11% ¹	Vanguard Canadian Ultra-Short Government Bond Index ETF		
GLOBAL			
VBG FER 0.20% ¹	Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)	VBU FER 0.21% ¹	Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)
VGAB FER 0.22% ¹	Vanguard Global Aggregate Bond Index ETF (CAD-hedged)		

Active

Vanguard's approach is true to label, which means a straightforward product design and benchmark selections that best represent the key risk exposures in each fund or ETF.

VCOR Management fee 0.25% ²	Vanguard Global Core-Plus Bond ETF An actively managed bond strategy that applies Vanguard's best ideas across global rates, credit, and securitized markets. The strategy is designed to serve as the centerpiece of a fixed income portfolio, offering a comprehensive solution.
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¹ The fund expense ratio (FER) represents the total ongoing expenses of an investment fund and is calculated by adding the fund's management expense ratio (MER) and trading expense ratio (TER). The FER is expressed as an annualized percentage of the fund's average net asset value for the applicable period. The MER includes management fees and operating expenses of the fund, while the TER reflects the trading costs associated with buying and selling portfolio securities within the fund. These fund expenses are borne by the fund and reduce the fund's returns.

² FER not yet available as the fund is new. For all funds, the management fee is equal to the fee paid by the fund to Vanguard Investments Canada Inc. to manage the fund and does not include applicable taxes or other fees and expenses of the fund. For any fund which invests in underlying Vanguard fund(s), there shall be no duplication of management fees chargeable in connection with the Vanguard fund and its investment in the Vanguard fund(s).

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Important information

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Date of publication: August 2026

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