

Proxy voting disclosure for portfolio securities held

Terms used herein with initial capital letters have the meanings attributed to them in the prospectus

The Manager has adopted a proxy voting policy with respect to Constituent Securities and other securities held by each Vanguard ETF. The Manager has delegated the management and administration of this policy to the Sub-advisor, and the Sub-advisor has further delegated these responsibilities to The Vanguard Group, Inc. ("VGI"). In such capacity, VGI will provide services to vote proxies on behalf of the Vanguard ETFs in accordance with the proxy voting policies and procedures described below.

The complete proxy voting record of a Vanguard ETF for the annual period from July 1 to June 30 will be available free of charge to any Unitholder upon request at any time after August 31 following the end of that annual period by calling 1-877-410-7275 or on the Manager's website at www.vanguard.ca

PROXY VOTING PROCEDURES AND GUIDELINES

The Vanguard ETFs adopted proxy voting procedures and policies to govern the proxy voting by each Vanguard ETF that invests in voting securities. In the disclosure below, "Vanguard ETF(s)" may also refer to Underlying Fund(s). VGI conducts oversight of proxy voting through the Investment Stewardship Oversight Committee (the "**Committee**"), which is made up of senior officers of VGI, and is subject to the operating procedures and policies described below. The Committee reports directly to the board of directors of VGI.

The overarching objective in voting is simple: to support proposals and director nominees that maximize the value of a Vanguard ETF's investments - and those of its Unitholders - over the long term. Although the goal is simple, the proposals the Vanguard ETFs receive are varied and frequently complex. As such, the guidelines provide a framework for assessing each proposal and seek to ensure that each vote is cast in the best interest of each Vanguard ETF. Under the guidelines, each proposal is evaluated on its merits, based on the particular facts and circumstances as presented.

Vanguard's two investment stewardship teams

Vanguard's two investment stewardship teams, each with their own policies and approaches to proxy voting, play various roles in the proxy voting process for Vanguard funds across the globe. Generally, the teams are responsible for administering proxy votes on behalf of Vanguard's internally managed funds. For externally managed funds, proxy voting responsibilities were delegated to those funds' external managers in 2020. Vanguard's two investment stewardship teams administers the day-to-day operation of the Vanguard ETFs' proxy voting process, overseen by the Committee. Although most votes will be determined based on the individual circumstances of each Vanguard ETF and in accordance with the guidelines as adopted by each of the Vanguard ETFs, there may be circumstances when the teams will refer proxy issues to the Committee for consideration. In addition, at any time, the Manager may elect to use its discretionary authority to vote proxies.

The teams perform the following functions: (i) managing and conducting due diligence of proxy voting vendors; (ii) reconciling share positions; (iii) analyzing proxy proposals using factors described in the guidelines; (iv) determining and addressing potential or actual conflicts of interest that may be presented by a particular proxy; and (v) voting proxies.

Investment Stewardship Oversight Committee

The Committee works with Vanguard's two investment stewardship teams to provide reports and other guidance to the Manager regarding proxy voting by the Vanguard ETFs. The Committee has an obligation to exercise its decision-making authority subject to the fiduciary standards of good faith, fairness, and VGI's code of ethics. There may be instances when the Committee is called upon to determine how to apply the proxy voting procedures and guidelines in the best interest of a Vanguard ETF's Unitholders. The Manager reviews the procedures and guidelines annually.

Proxy Voting Principles

VGI's investment stewardship activities are grounded in four principles of good governance:

- (i) Board composition: VGI believes good governance begins with a great board of directors. Its primary interest is to ensure that the individuals who represent the interests of all shareholders are independent, committed, capable, and appropriately experienced.
- (ii) Oversight of strategy and risk: VGI believes that boards are responsible for effective oversight of a company's long-term strategy and any relevant and material risks.
- (iii) Executive compensation: VGI believes that performance-linked compensation (or remuneration) policies and practices are fundamental drivers of sustainable, long-term value.
- (iv) Governance structures: VGI believes that companies should have in place governance structures to ensure that boards and management serve in the best interests of the shareholders they represent.

Evaluation of Proxies

For ease of reference, the procedures and guidelines often refer to all Vanguard ETFs. However, the processes and practices seek to ensure that proxy voting decisions are suitable for individual Vanguard ETFs. For most proxy proposals, particularly those involving corporate governance, the evaluation could result in the Vanguard ETFs having a common interest in the matter and, accordingly, each Vanguard ETF casting votes in the same manner. In other cases, however, a Vanguard ETF may vote differently from other Vanguard ETFs if doing so is in the best interest of the individual Vanguard ETF.

The guidelines do not permit the Manager or the Sub-advisor to delegate voting discretion to an unaffiliated third party. Because many factors bear on each decision, the voting policies incorporate factors that should be considered in each voting decision. A Vanguard ETF may refrain from voting some or all of its shares or vote in a particular way if doing so would be in that Vanguard ETF's and its Unitholders' best interests. These circumstances may arise, for example, if the expected cost of voting exceeds the expected benefits of voting, if exercising the vote would result in the imposition of trading or other restrictions, or if a Vanguard ETF (or all funds advised by the Sub-advisor or any of its affiliates or subsidiaries, in the aggregate) were to own more than the permissible maximum percentage of a company's stock (as determined by the company's governing documents or by applicable law, regulation, or regulatory agreement).

In evaluating proxy proposals, VGI considers information from many sources, including, but not limited to, an investment advisor unaffiliated with VGI that has investment and proxy voting authority with respect to funds advised by VGI that hold shares in the applicable company, the management or shareholders of a company presenting a proposal, and independent proxy research services. Additionally, data from proxy advisors serve as

one of many inputs into its research process. The Vanguard ETFs may utilize automated voting for matters that are clearly addressed by the Vanguard ETF's procedures and guidelines.

While serving as a framework, the voting policies cannot contemplate all possible proposals with which a Vanguard ETF may be presented. In the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the two investment stewardship teams, under the supervision of the Committee, will evaluate the matter and cast each Vanguard ETF's vote in a manner that is in the best interest of each Vanguard ETF, subject to the individual circumstances of the Vanguard ETF.

Conflicts of Interest

VGI takes seriously its commitment to avoid potential conflicts of interest. Funds advised by VGI and its affiliates may invest in thousands of publicly listed companies worldwide. Those companies may include clients, potential clients, vendors, or competitors. Some companies may employ trustees, former executives, or family members of personnel of VGI who have direct involvement in VGI's Investment Stewardship program.

VGI's approach to mitigating conflicts of interest begins with the Vanguard ETFs' proxy voting procedures. The procedures require that voting personnel act as fiduciaries, and must conduct their activities at all times in accordance with the following standards: (i) Vanguard ETF Unitholders' interests come first; (ii) conflicts of interest must be avoided; (iii) and compromising situations must be avoided.

VGI maintains an important separation between the investment stewardship teams and groups within VGI and the Sub-advisor that are responsible for sales, marketing, client service, and vendor/partner relationships. Proxy voting personnel are required to disclose potential conflicts of interest, and must recuse themselves from all voting decisions and engagement activities in such instances. In certain circumstances, VGI may refrain from voting shares of a company, or may engage an independent third-party fiduciary to vote proxies.

Environmental and Social Proposals

Proposals in this category, initiated primarily by shareholders, typically request that a company enhance its disclosure or amend certain business practices. These resolutions are evaluated in the context of the general corporate governance principle that a company's board has ultimate responsibility for providing effective ongoing oversight of relevant sector- and company-specific risks, including those related to environmental and social matters. Each proposal will be evaluated on its merits and supported when there is a logically demonstrable linkage between the specific proposal and long-term shareholder value of the company. Some of the factors considered when evaluating these proposals include the materiality of the issue, the quality of the current disclosures/business practices, and any progress by the company toward the adoption of best practices and/or industry norms.

Voting in Markets Outside Canada and the United States

Corporate governance standards, disclosure requirements, and voting mechanics vary greatly among the markets outside Canada and the United States in which the Vanguard ETFs may invest. Each Vanguard ETF's votes will be used, where applicable, to support improvements in governance and disclosure by each Vanguard ETF's portfolio companies. Matters presented by portfolio companies domiciled outside Canada and the United States will be evaluated in the foregoing context, as well as in accordance with local market standards and best practices. Votes will be cast for each Vanguard ETF in a manner philosophically consistent with the principles, while taking into account differing practices by market.

In many other markets voting proxies will result in a Vanguard ETF being prohibited from selling the shares for a period of time due to requirements known as "share-blocking" or reregistration. Generally, the value of voting is unlikely to outweigh the loss of liquidity imposed by these requirements. In such instances, the Vanguard ETFs will generally abstain from voting.

The costs of voting (e.g., custodian fees, vote agency fees) in other markets may be substantially higher than for Canadian or U.S. holdings. As such, a Vanguard ETF may limit its voting on foreign holdings in instances in which the issues presented are unlikely to have a material impact on Unitholder value.

Voting Shares of a Company Subject to an Ownership Limitation

Certain companies have provisions in their governing documents or other agreements that restrict stock ownership in excess of a specified limit. Typically, these ownership restrictions are included in the governing documents of real estate investment trusts, but may be included in other companies' governing documents. A company's governing documents normally allow the company to grant a waiver of these ownership limits, which would allow a Vanguard ETF to exceed the stated ownership limit. Sometimes a company will grant a waiver without restriction. From time to time, a company may grant a waiver only if a Vanguard ETF (or Vanguard ETFs) agrees to not vote the company's shares in excess of the normal specified limit. In such a circumstance, a Vanguard ETF may refrain from voting shares if owning the shares beyond the company's specified limit is in the best interests of the Vanguard ETF and its Unitholders.

In addition, applicable law may require prior regulatory approval to permit ownership of certain regulated issuer's voting securities above certain limits or may impose other restrictions on owners of more than a certain percentage of a regulated issuer's voting shares. The Manager's board of directors has authorized the funds advised by the Sub-advisor to vote shares above these limits in the same proportion as votes cast by the issuer's entire shareholder base (i.e., mirror vote) or to refrain from voting excess shares if mirror voting is not practicable.

Voting on a Vanguard ETF's Holdings of Vanguard ETFs or Vanguard Funds

Certain Vanguard ETFs may, from time to time, own securities of another Vanguard ETF or a Vanguard fund. If the other Vanguard ETF or Vanguard fund submits a matter to a vote of its shareholders, the Vanguard ETF shall not vote the shares it holds of the other Vanguard ETF or Vanguard fund and the Manager, in its discretion, may arrange for such securities to be voted by the Unitholders.

Securities Lending

There may be occasions when the Sub-advisor and its affiliates need to restrict lending of and/or recall securities that are out on loan in order for a Vanguard ETF to vote in a shareholder meeting. The Sub-advisor and its affiliates have processes to monitor securities on loan and to evaluate any circumstances that may require it to restrict and/or recall the stock. In making this decision, the Sub-advisor, together with VGI, considers:

- (i) the subject of the vote and whether, based on VGI's knowledge and experience, VGI believes the topic is potentially material to the corporate governance and/or long term performance of the company;
- (ii) the Vanguard ETFs' individual and/or aggregate equity investment in a company, and whether VGI estimates that voting Vanguard ETFs' shares would affect the shareholder meeting outcome; and
- (iii) the long-term impact to Vanguard ETF Unitholders, evaluating whether VGI believes the benefits of voting a company's shares would outweigh the benefits of stock lending revenues in a particular instance.

