Vanguard®

VRIF | Vanguard Retirement Income ETF Portfolio

Are you looking for a simple and cost-effective way to meet your income goals? The Vanguard Retirement Income ETF Portfolio (VRIF) uses global diversification and a total-return approach to give Canadian investors a predictable monthly income stream.

VRIF is a one-ticket solution that provides investors with a predictable income stream and global diversification at the low cost of 0.29%-one third of the industry average. Its distribution is set annually and is made up of interest income, dividends and capital gains.

VRIF could be a solution for those looking for a steady monthly income stream–whether for retirement spending or other monthly obligations. Regardless of your life stage, you can use VRIF as an income-generating complement to our other asset allocation ETFs.

Target distribution	Distribution frequency	Management fee	Risk rating	Securities
~4%	**Monthly**	**0.29%**	**Low to medium**	**25,000+**

How does VRIF work?

Single-ticket income solution

VRIF invests in a combination of eight underlying core Vanguard ETFs. This transparent strategy allows VRIF to achieve immediate scale and access to global markets while paying out a steady, predictable income stream. Because VRIF's building blocks are clear, you always know what you're investing in and why, and regular monitoring and rebalancing helps maintain exposures across key sub asset classes and risk levels.

Low costs

Because of its scalability, VRIF offers access to global equity and fixed income markets at a cost of 0.29%-one third of the average for comparable monthly income funds in Canada. Low costs help investors keep more of their returns and investment base.

Broad global diversification across equity and fixed income markets

VRIF is an all-cap, globally diversified ETF with exposure to over 25,000 individual equity and fixed income securities. Diversification can help mitigate portfolio volatility and allows investors to create portfolios with risk profiles consistent with their goals and preferences.

Predictable and consistent income stream

Leveraging Vanguard's best thinking, VRIF uses a time-varying asset allocation model to generate a consistent monthly payout. Corporate bond exposures are included to increase its yield compared to our other asset allocation portfolios.

Preserving capital over the long-term

Some investors have demonstrated an increased interest in higher-yielding products and narrow sectors. Investing in these products (and their riskier asset classes) might be appealing in the short term, but it could lead to capital loss over the longer term as these products experience more performance and distribution volatility during periods of market turbulence.

VRIF's transparent and balanced approach to achieving yield and diversification ensures that the portfolio is well-diversified and won't move into riskier asset classes to meet your income goals.

Through our total return approach, the portfolio will have the benefit of leveraging several different income sources. We expect this will minimize any depletion of capital in the portfolio, and therefore your initial investment should largely remain intact throughout the life of your investment.

The value of a total-return approach

Focusing on the total return earned by the portfolio rather than its individual components offers investors the following benefits:

1. Portfolio diversification

The total-return approach ensures that the portfolio doesn't just overweight higher-yielding stock or bond sectors to achieve income goals. This provides income without undue risk.

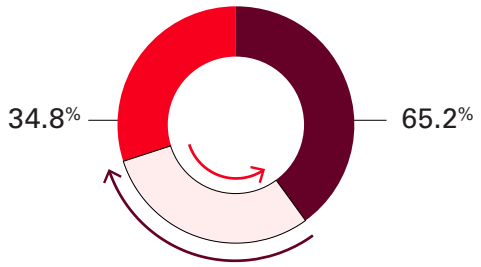
2. Predictable and consistent distributions

A total-return approach allows the portfolio to distribute from capital appreciation in years when the portfolio yield falls below the target.

3. Tax efficiency

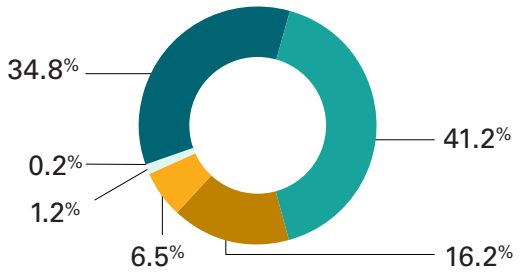
The total-return approach is more tax-friendly because the portfolio can distribute from capital appreciation. In that case, only the difference between the cost basis and the sale price is taxed. Meanwhile, the full dividend distribution from underlying securities is taxable.

Asset allocation[1]



- Equity
- Fixed income

Regional allocation[2]



- Canada
- United States
- Developed ex North America
- Emerging Markets
- Other
- Cash

Allocation to underlying ETFs

Canadian equity	VCN	3.9%
Canadian aggregate fixed income	VAB	1.0%
Canadian corporate fixed income	VCB	33.2%
Emerging markets equity	VEE	6.1%

U.S. fixed income (CAD-hedged)	VBU	29.1%
U.S. equity	VUN	12.3%
Developed ex North America equity	VIU	12.6%
Global ex U.S. fixed income (CAD-hedged)	VBG	1.9%

1 Allocations are time-varying and may change each month. The portfolio can invest up to 60% in equities.
2 Allocations shown are as of December 31, 2022. Percentages may not add up to 100% due to rounding.

Equity characteristics

Number of securities	13,639
Median market cap	$92.3B
Price/earnings ratio	11.5x
Price/book ratio	1.5x
Return on equity	11.7%
Earnings growth rate	9.2%

Fixed income characteristics

Number of bonds	18,685
Yield to maturity	4.9%
Average duration	5.7 years
Average maturity	9.0 years
Average coupon	2.9%
Average credit quality	A+

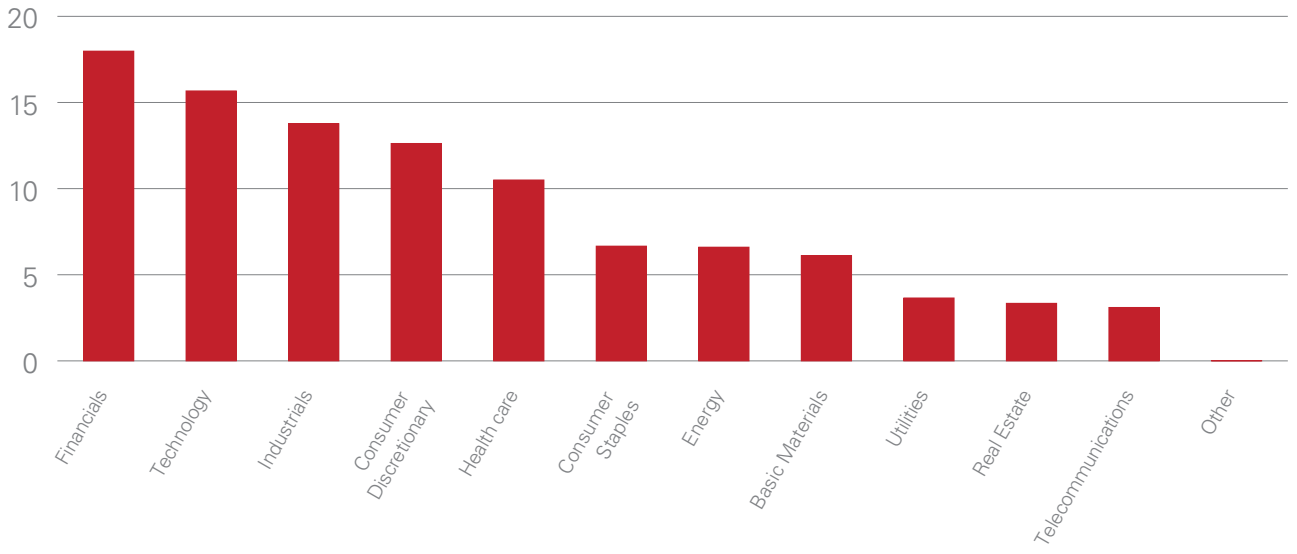
Sector weighting (% of equities)

Financials	18.0%
Technology	15.7%
Industrials	13.8%
Consumer Discretionary	12.6%

Health Care	10.5%
Consumer Staples	6.7%
Energy	6.6%
Basic Materials	6.1%

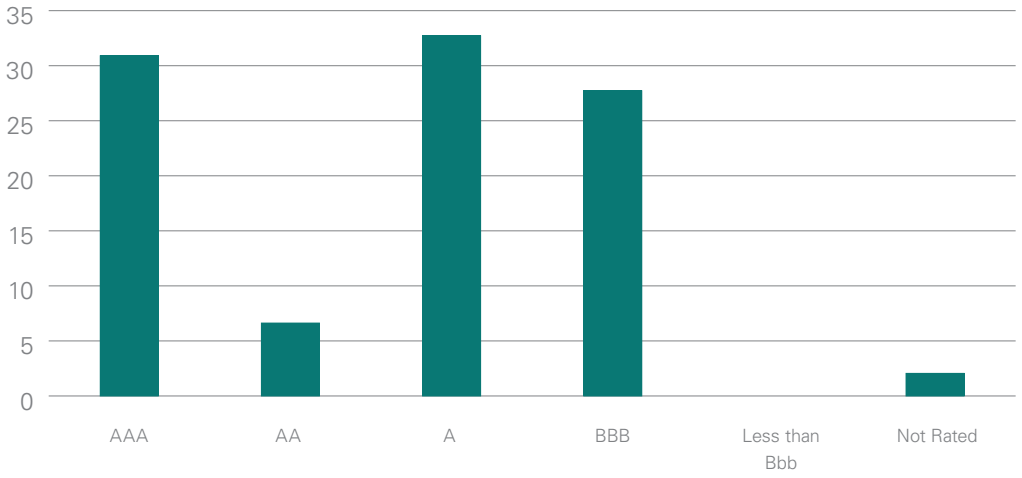
Utilities	3.6%
Real Estate	3.3%
Telecommunications	3.1%
Other	0.0%

Sector weighting (% of equities)



Diversification can help mitigate portfolio volatility and allows you to create portfolios with risk profiles consistent with your goals and preferences.

Distribution by credit quality (% of fixed income)



Connect with Vanguard® > vanguard.ca

Important information

Commissions, management fees, and expenses all may be associated with investment funds. Investment objectives, risks, fees, expenses, and other important information are contained in the prospectus; please read it before investing. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. Vanguard funds are managed by Vanguard Investments Canada Inc. and are available across Canada through registered dealers.

Date of publication: January 2023

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. Investors should consult a financial advisor and/or tax information applicable to their specific situation.

While this information has been compiled from sources believed to be reliable, Vanguard Investments Canada Inc. does not guarantee the accuracy, completeness, timeliness or reliability of this information or any results from its use.

All investments, including those that seek to track indexes, 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. Any given ETF may not be a diversified investment.

The information contained in this publication 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.

Vanguard®

© 2023 Vanguard Investments Canada
All rights reserved.

VRIF_CA 012023