

# Asset Allocation Investing

**Research-driven. Highly diversified. Low cost.**

Navigating the investment world can feel increasingly overwhelming: thousands of funds to choose from, constant headlines, and ongoing decisions around buying, sizing, and rebalancing. Asset allocation funds can provide an efficient solution.



### **Efficiency**

Delivers the benefits of a strategic asset allocation approach without managing multiple investments.



### **Diversification in one fund**

A single ETF or mutual fund that invests across multiple asset classes, including equities and bonds.



### **Strategically allocated and rebalanced**

Built around a long-term target mix that is professionally maintained as markets change.

## Vanguard – a global leader in asset allocation investing

Vanguard Canada pioneered the one-purchase ETF solutions that combine many investments in a single ETF, which can serve as a stand-alone or the core of a diversified portfolio. The first three all-in-one ETF portfolios launched in 2018, and these ETF solutions have since become widely available in Canada. They share surface-level similarities: one ticket access, automatic rebalancing, and diversified exposure.

What meaningfully sets Vanguard's apart is beneath the surface – in portfolio construction philosophy, rigorous research, and asset allocation leadership.

**\$2.5T+** CAD

**Global assets in asset allocation funds**

**\$28B+** CAD

**Canadian assets in asset allocation funds**



**“Don’t look for the needle in the haystack, buy the haystack.”**

**Vanguard founder John C. Bogle**

When Vanguard's late founder John C. Bogle launched the first index funds available to individual investors in 1976, he leveraged academic research that showed a market-cap weighted, broadly diversified portfolio of stocks, at a low cost, could outperform the majority of active managers over the long term.

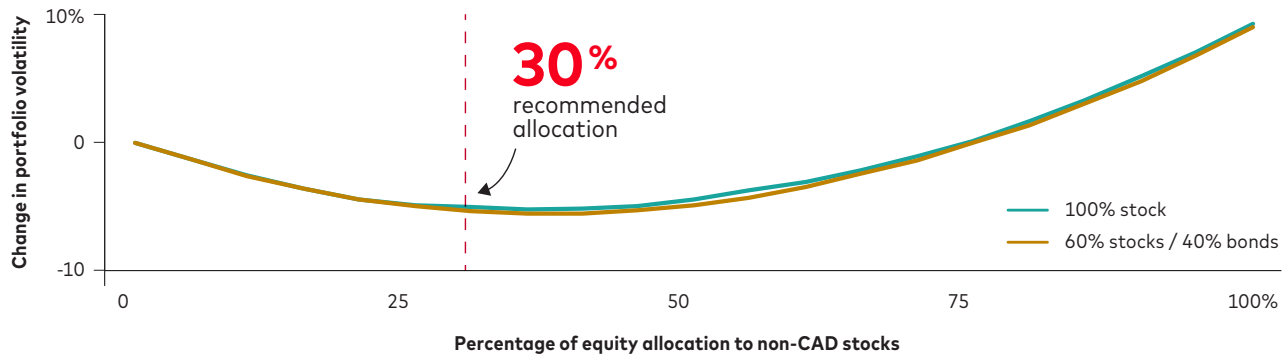
**Vanguard's asset allocation solutions build on this legacy, anchored in several key principles:**

- Strategic asset allocation is a primary driver of long-term outcomes
- Investors are well served by a durable, strategic mix rather than reactive, tactical shifts
- They use global, broadly diversified, index-tracking (passive) ETFs as building blocks
- They are continuously monitored and systematically rebalanced to simplify implementation without compromising long-term investment discipline.

## Anchored in rigorous research

Vanguard's portfolios offer risk-appropriate asset mixes designed to support investors through full market cycles. Based on in-depth research conducted by the Investment Strategy Group (Vanguard's in-house think tank) and overseen by the Vanguard Strategic Asset Allocation Committee (SAAC), the portfolios are tailored for Canadian investors.

An example of this research in action is the funds' deliberate Canadian "home bias" (30% for equities and 60% for fixed income). The approach balances global diversification with meaningful exposure to the Canadian market to minimize portfolio volatility, while accounting for investor preferences, currency, tax and other real-world realities.



Every aspect of the portfolios – from the strategic mix, size, geography, home bias, currency exposure, building blocks to rebalancing – is backed by published research, often in peer-reviewed academic journals.

## Powered by Vanguard: a global leader



### Global scale

Founded in 1975 on a principle of investor-first values, Vanguard manages over \$12 trillion in assets, serves 50 million investors worldwide, and employs 20,000+ professionals dedicated to long-term investment success.



### Leading global equity capabilities

Vanguard oversees more than \$9 trillion in global equity strategies, combining index and active management through its Global Equity and Strategic Equity Index Management teams.



### Proven multi-asset expertise

With decades of experience, Vanguard has built a strong legacy in managing diversified, multi-asset portfolios—forming the foundation of countless client investment strategies.








### Global fixed income leadership

A pioneer in bond investing since launching the first bond index fund in 1986, Vanguard's Fixed Income Group leverages deep expertise in credit research, risk management, and index sampling.

## Our asset allocation solutions

Five strategic asset mixes	Low-cost index construction
Multi-country, multi-currency exposure	Tailored Canadian home bias: 30% in equities, 60% in fixed income
Market-cap-weighted indexing	Rebalance threshold +/- 2%

Fund Name	ETF Ticker	Mutual Fund Code	Management fee	Risk Profile	Fixed Income/Equity weightings	
Vanguard Conservative Income ETF Portfolio	<b>VCIP</b>		0.17%	Low	<ul style="list-style-type: none"> <li>● Equity: 20%</li> <li>● Fixed income: 80%</li> </ul>	
Vanguard Conservative ETF Portfolio	<b>VCNS</b>	<b>VIC4060</b>	0.17%	Low	<ul style="list-style-type: none"> <li>● Equity: 40%</li> <li>● Fixed income: 60%</li> </ul>	
Vanguard Balanced ETF Portfolio	<b>VBAL</b>	<b>VIC6040</b>	0.17%	Low to Medium	<ul style="list-style-type: none"> <li>● Equity: 60%</li> <li>● Fixed income: 40%</li> </ul>	
Vanguard Growth ETF Portfolio	<b>VGRO</b>	<b>VIC8020</b>	0.17%	Low to Medium	<ul style="list-style-type: none"> <li>● Equity: 80%</li> <li>● Fixed income: 20%</li> </ul>	
Vanguard All-Equity ETF Portfolio	<b>VEQT</b>	<b>VIC1000</b>	0.17%	Medium	<ul style="list-style-type: none"> <li>● Equity: 100%</li> </ul>	

The management fee is equal to the fee paid by the Vanguard fund to Vanguard Investments Canada Inc. and does not include applicable taxes or other fees and expenses of the Vanguard fund.

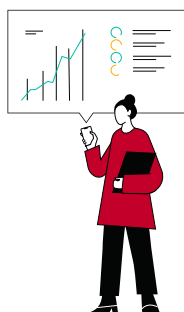
## Low-cost underlying ETFs

EQUITY – MORE THAN 13,000 STOCKS				
ETF Name	Ticker	Management fee	Fund AuM	Inception date
Vanguard FTSE Canada All Cap Index ETF	<b>VCN</b>	0.05%	\$14.46B	August 2, 2013
Vanguard U.S. Total Market Index ETF	<b>VUN</b>	0.15%	\$15.26B	August 2, 2013
Vanguard FTSE Developed All Cap ex North America Index ETF	<b>VIU</b>	0.20%	\$8.91B	December 1, 2015
Vanguard FTSE Emerging Markets All Cap Index ETF	<b>VEE</b>	0.23%	\$3.68B	November 30, 2011
FIXED INCOME – MORE THAN 17,000 BONDS				
ETF Name	Ticker	Management fee	Fund AuM	Inception date
Vanguard Canadian Aggregate Bond Index ETF	<b>VAB</b>	0.08%	\$7.03B	November 30, 2011
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)	<b>VBU</b>	0.20%	\$1.75B	June 30, 2014
Vanguard ex-U.S. Aggregate Bond Index ETF (CAD-hedged)	<b>VBG</b>	0.20%	\$1.37B	June 30, 2014

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## How investors and advisors can use our asset allocation funds

Asset allocation funds can play different roles depending on investor needs:



### Smaller accounts:

A single fund solution that provides instant diversification and ongoing rebalancing



### Larger portfolios:

An efficient core holding that delivers broad market exposure and disciplined beta within model portfolios

This flexibility allows investors and advisors to use asset allocation solutions as building blocks within a wider investment strategy.

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**[vanguard.ca](http://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.**

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