

Vanguard Conservative ETF Portfolio Fund

Management Discussion of Fund Performance

Investment Objective and Strategies

Vanguard Conservative ETF Portfolio Fund (the “Fund”) seeks to provide a combination of income and moderate long-term capital growth by investing in equity and fixed income securities. The Fund may do so either directly or indirectly through investment in one or more underlying funds (“Underlying Funds”) managed by Vanguard Investments Canada Inc. (the “Manager”).

Currently, the Fund seeks to achieve its investment objectives by investing substantially all of its net assets in Vanguard Conservative ETF Portfolio.

Under normal market conditions, the sub-advisor of Vanguard Conservative ETF Portfolio will strive to maintain a long-term strategic asset allocation of equity (approximately 40%) and fixed income (approximately 60%) securities. The portfolio asset mix may be reconstituted and rebalanced from time to time at the discretion of the sub-advisor.

Vanguard Conservative ETF Portfolio invests in other Underlying Funds and is managed through strategic asset allocation to such Underlying Funds and is not actively managed with respect to individual security selection.

Risk

The risks associated with an investment in the Fund remain as discussed in the Fund’s most recent simplified prospectus. During the period that began February 5, 2025, and ended March 31, 2025, there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund.

Results of Operations

The Fund commenced operations on February 5, 2025. Canadian law does not allow the display of performance data for investment funds less than one year old.

Recent Developments

There are no recent developments to report.

Related Party Transactions

Vanguard Investments Canada Inc. (the “Manager”) is the manager, trustee, portfolio advisor and promoter of the Fund, and is entitled to receive a management fee for its services that is paid by the Fund to the Manager (see “Management Fees” below).

From time to time, the Manager may, on behalf of the Fund, enter into transactions or arrangements with or involving certain persons or companies that are related to the Manager when, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The purpose of this section is to provide a brief description of any transaction or arrangement with or involving the Fund and a related party.

Sub-Advisor

Vanguard Global Advisers, LLC (“VGA”), an affiliate of the Manager, has been retained by the Manager to act as sub-advisor to the Manager in connection with the Fund. As sub-advisor, VGA manages the investment portfolio of the Fund, provides analysis and makes investment decisions, subject to continuing oversight by the Manager. VGA is a registered

This annual management report of fund performance contains financial highlights but does not contain the annual financial statements of the fund. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 1-877-410-7275, by writing to us at 22 Adelaide Street West, Suite 2500, Toronto, ON M5H 4E3 or by visiting our website at vanguard.ca or SEDAR+ at sedarplus.com. You may also contact us using one of these methods to request a copy of the fund’s proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

investment advisor in the United States with offices based in Valley Forge, Pennsylvania. As compensation for its services as sub-advisor, VGA is entitled to receive a portion of the management fee that is paid by the Fund to the Manager.

With respect to the continuing oversight of the affiliate by the Manager, the Manager has relied on a positive recommendation and standing instruction that it has received from the Fund's Independent Review Committee ("IRC"). The standing instruction requires the Manager to comply with its current policy and procedures on monitoring services provided by the sub-advisor of the Fund and to report periodically to the IRC, describing each instance in which the Manager relied on the standing instruction and its compliance with the policy and procedures.

Management Fees

As set out under Related Party Transactions, the Manager is the manager, trustee, portfolio advisor and promoter of the Fund. As compensation for its services, the Manager is entitled to receive a maximum annual management fee for Series F of 0.22%, payable monthly, calculated based on the daily net asset value ("NAV") of the Fund.

The major services paid for out of the management fee include fees for services the Manager provides, or causes to be provided, to the Fund, including the investment management of the Fund, oversight of service providers, general administration, the distribution, marketing and promotion of the Fund and sub-advisory fees.

The Manager may, in its discretion, agree to charge the Fund and/or certain unitholders a reduced management fee as compared with the management fee that it otherwise would be entitled to receive, provided that the amount of the reduced management fee is distributed periodically by the Fund to the unitholder as a management fee distribution. Any reduction will depend on a number of factors, including the amount invested, the NAV of the Fund and the expected amount of account activity. Any tax consequences of a management fee distribution will generally be borne by the unitholder who receives the distribution.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund’s financial performance for the period indicated.

The Fund's Net Assets Per Unit¹

	Financial Period Ended March 31,
Series F	2025²
Net assets, beginning of period	\$10.00
Increase (decrease) from operations	
Total investment income	0.00
Total expenses	(0.01)
Realized gains (losses) for the period	(0.00)
Unrealized gains (losses) for the period	(0.12)
Total increase (decrease) from operations³	(0.13)
Net assets, end of period	\$9.83

1 The financial highlights are derived from the Fund’s financial statements prepared in accordance with IFRS Accounting Standards. The net assets calculated for the purpose of processing unitholder transactions are the same as the net assets attributable to holders of redeemable units used for financial statement reporting purposes as at March 31, 2025.
2 The information shown in this column is for the period beginning February 5, 2025 (the Fund’s commencement date), and ending March 31, 2025.
3 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

Ratios and Supplemental Data

	Financial Period Ended March 31,
	2025¹
Total net asset value (000’s)²	\$8,400
Number of units outstanding (000’s)²	854
Management expense ratio³	0.43%⁴
Management expense ratio before waivers or absorptions	2.39%⁴
Portfolio turnover rate⁵	11.93%
Trading expense ratio⁶	0.22%⁴
Net asset value per unit²	\$9.83

1 The information shown in this column is for the period beginning February 5, 2025 (the Fund’s commencement date), and ending March 31, 2025.
2 This information is provided as at March 31 of the year shown.
3 Management expense ratio (“MER”) is based on net expenses (excluding commissions and other portfolio transaction costs) and includes a proportionate share of underlying Vanguard funds expenses, for the stated period and is expressed as a percentage of daily average net asset value during the period. MER reflects expenses voluntarily waived or absorbed by the Manager, including the cost of the IRC and certain administrative expenses. The Manager may, in its discretion, discontinue these practices at any time.
4 Annualized.
5 The Fund’s portfolio turnover rate indicates how actively the Fund’s sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio’s turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
6 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of daily average net assets during the period.

Past Performance

The Fund commenced operations on February 5, 2025.
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Summary of Investment Portfolio

Information displayed is for the Canada-domiciled Vanguard Conservative ETF Portfolio in which the Fund primarily invests.

The prospectus and other information about this Canada-domiciled Vanguard Fund and the underlying investment funds in the portfolio are available at sedarplus.com.

Portfolio Allocation

As at March 31, 2025

	% of Underlying Fund
Fixed Income	60.6%
U.S. Equity	17.5
Canadian Equity	11.9
International Equity	6.9
Emerging Markets Equity	2.9
Other assets and liabilities (net)	0.2
	100.0

Top 25 Holdings

As at March 31, 2025

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

	% of Underlying Fund
Vanguard Canadian Aggregate Bond Index ETF	35.7%
Vanguard U.S. Total Market Index ETF	17.5
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)	12.6
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)	12.3
Vanguard FTSE Canada All Cap Index ETF	11.9
Vanguard FTSE Developed All Cap ex North America Index ETF	6.9
Vanguard FTSE Emerging Markets All Cap Index ETF	2.9
Cash	0.1
	99.9
Total net asset value	\$8,400,406



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This report may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent certain beliefs regarding future events. By their nature, forward-looking statements involve assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on any forward-looking statements contained in this report as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest and the risks detailed from time to time in the fund's prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Because of the potential impact of these factors, Vanguard Investments Canada Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.