Vanguard®

Interim Management Report of Fund Performance | June 30, 2026

Vanguard U.S. High Dividend Yield Index ETF

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Vanguard U.S. High Dividend Yield Index ETF (the “ETF”) is to track, to the extent reasonably possible and before fees and expenses, the performance of a broad U.S. equity index that measures the investment return of common stocks of U.S. companies that are characterized by higher than average dividend yields. Currently, this ETF seeks to track the FTSE High Dividend Yield Index (or any successor thereto) (the “Index” or the “Benchmark”). The Index is a market capitalization-weighted index that is focused on higher than average dividend income. Index constituents are selected from the FTSE U.S. All Cap Index.

To achieve its investment objective, the ETF employs a “passive management”, or “indexing,” investment approach designed to track the performance of the Index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index. In the alternative, the ETF may use a sampling methodology to invest in a broadly diversified collection of securities that, in the aggregate, approximates the full Index in terms of key characteristics.

Risk

The risks associated with an investment in the ETF remain as discussed in the ETF’s most recent prospectus. During the period that began March 23, 2026, and ended June 30, 2026, there were no changes to the ETF that materially affected the overall risk level associated with an investment in the ETF.

Results of Operations

The ETF commenced operations on March 23, 2026. Canadian law does not allow the display of performance data for investment funds less than one year old.

Recent Developments

Following his approximately six-year term on the Independent Review Committee, Roger W. Roble completed his tenure in office on June 30, 2026. Timothy S. Johnson was appointed as a member of the Independent Review Committee effective July 1, 2026.

Related Party Transactions

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

From time to time, the Manager may, on behalf of the ETF, 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 ETF to do so. The purpose of this section is to provide a brief description of any transaction or arrangement with or involving the ETF and a related party.

This interim management report of fund performance contains financial highlights but does not contain the interim financial report of the ETF. You can obtain a copy of the interim financial report 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 ETF's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

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 ETF. As sub-advisor, VGA manages the investment portfolio of the ETF, provides analysis and makes investment decisions, subject to continuing oversight by the Manager. VGA is a registered 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 ETF 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 ETF'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 ETF 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 manager and promoter of the ETF. As compensation for its services, the Manager is entitled to receive a maximum annual management fee of 0.28%, payable monthly, calculated based on the daily net asset value ("NAV") of the ETF.

The major services paid for out of the management fee include fees payable to the custodian, registrar and transfer agent, as well as fees payable to other service providers, including the index providers, retained by the Manager.

The Manager may, in its discretion, agree to charge the ETF 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 ETF 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 ETF 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 ETF and are intended to help readers understand the ETF's financial performance for the period indicated.

The ETF's Net Assets Per Unit[1]

	Financial Period Ended June 30, 2026[2]
Net assets, beginning of period	**$25.00**
Increase (decrease) from operations	
Total investment income	0.41
Total expenses	(0.03)
Realized gains (losses) for the period	0.02
Unrealized gains (losses) for the period	2.26
Total increase (decrease) from operations[3]	**2.66**
Distributions	
From income (excluding dividends)	(0.03)
Total annual distributions[4]	(0.03)
Net assets at end of period	**$27.94**

1 The financial highlights are derived from the financial statements prepared in accordance with IFRS Accounting Standards, which allow net assets to be calculated based on the last traded market price for financial assets and financial liabilities where the last traded price falls within the day's bid-ask spread. There may be differences between the net assets calculated for the purpose of processing unitholder transactions and the net assets attributable to holders of redeemable units used for financial statement reporting purposes as at June 30, 2026.
2 The information shown in this column is for the period beginning March 23, 2026 (the ETF's commencement date), and ending June 30, 2026.
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.
4 Distributions were paid in cash or certain distributions were reinvested in additional units of the ETF. Immediately following such reinvestment, the number of units outstanding was consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. Actual distributions may vary slightly owing to rounding.

Ratios and Supplemental Data

	Financial Period Ended June 30, 2026[1]
Total net asset value (000's)[2]	$54,517
Number of units outstanding (000's)[2]	1,952
Management expense ratio[3]	0.36%[4]
Management expense ratio before waivers or absorptions	0.38%[4]
Portfolio turnover rate[5]	1.10%
Trading expense ratio[6]	0.00%[4]
Net asset value per unit[2]	$27.94
Closing market price[2]	$27.91

1 The information shown in this column is for the period beginning March 23, 2026 (the ETF's commencement date), and ending June 30, 2026.
2 This information is provided as at June 30, 2026.
3 Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as a percentage of daily average net asset value during the period.
4 Annualized.
5 The ETF's portfolio turnover rate indicates how actively the ETF's sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF 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 ETF 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 ETF.
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. If, during the period, the ETF charged a fee to designated broker/dealers to offset the impact of certain transaction costs associated with a purchase or redemption of units of the ETF, the transaction costs used in the trading expense ratio would have been reduced by those fees.

Past Performance

The ETF commenced operations on March 23, 2026. Canadian law does not allow the display of performance data for investment funds less than one year old.

Summary of Investment Portfolio

Sector Allocation
As at June 30, 2026

	% of Net Asset Value
Financials	20.6%
Technology	14.6
Industrials	14.5
Health Care	12.4
Energy	8.5
Consumer Staples	8.4
Consumer Discretionary	7.9
Utilities	6.0
Telecommunications	4.0
Basic Materials	3.0
Real Estate	0.0
Other assets and liabilities (net)	0.1
	100.0

Top 25 Holdings
As at June 30, 2026

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

	% of Net Asset Value
Broadcom, Inc.	7.3%
JPMorgan Chase & Co.	3.6
Johnson & Johnson	2.5
Exxon Mobil Corp.	2.4
Caterpillar, Inc.	2.0
Cisco Systems, Inc.	1.9
AbbVie, Inc.	1.8
Bank of America Corp.	1.6
UnitedHealth Group, Inc.	1.6
Home Depot, Inc.	1.5
Procter & Gamble Co.	1.4
Merck & Co., Inc.	1.3
Coca-Cola Co.	1.3
Chevron Corp.	1.3
Goldman Sachs Group, Inc.	1.2
Philip Morris International, Inc.	1.2
Texas Instruments, Inc.	1.1
International Business Machines Corp.	1.1
RTX Corp.	1.1
Wells Fargo & Co.	1.1
Oracle Corp.	1.0
Linde plc	1.0
Citigroup, Inc.	1.0
Morgan Stanley	1.0
Amgen, Inc.	0.8
	43.1
Total net asset value	**$54,516,853**

The Summary of Investment Portfolio may change because of the ETF's ongoing portfolio transactions. Updates are available quarterly.

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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 ETF may invest and the risks detailed from time to time in the ETF'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 ETF, 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.

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