



IRC Annual Report to Unitholders – December 31, 2024

Introduction

The Independent Review Committee (“IRC”) for the investment funds managed by Vanguard Investments Canada Inc. (the “Manager”) listed in Schedule “A” to this report (individually a “Fund”, and collectively, the “Funds”), is pleased to provide unitholders with this annual report for the period beginning January 1, 2024 and ending December 31, 2024, the financial year-end for the Funds (inclusively, the “Period”).

The mandate of the IRC is to review conflict of interest matters that the Manager has identified and then referred to the IRC, in addition to, the Manager’s written policies and procedures it has in place to manage those conflict of interest matters, and to provide the Manager with an approval or a recommendation, depending on the nature of the conflict of interest matter.

Pursuant to NI 81-107, a “conflict of interest matter” is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Funds. In addition, NI 81-107 specifies certain situations that are deemed to be conflict of interest matters.

At least annually, the IRC will review and assess the adequacy and effectiveness of the Manager’s written policies and procedures on conflict of interest matters, and will conduct a self-assessment of the IRC’s independence, compensation, and effectiveness.

Members of the IRC

<u>NAME</u>	<u>RESIDENCE</u>	<u>FIRST APPOINTED</u>
Paul C. Bourque, K.C.	NanOOSE Bay, BC, Canada	July 1, 2023
M. Sue Lemon	Hastings, ON, Canada	July 1, 2024
Roger W. Roble* Chair of the IRC	Wexford, PA, United States	June 17, 2020

* Roger W. Roble became the Chair of the IRC on July 1, 2024, following the expiration of Susan Wolburgh Jenah’s term as IRC Chair.

Following her approximately seven-year term on the IRC, Susan Wolburgh Jenah completed her tenure in office on June 30, 2024. Sue Lemon was appointed as a member effective July 1, 2024.

Each member of the IRC is independent of the Funds, the Manager and any person or company related to the Manager. In addition, there are no relationships that may cause a reasonable person to question a member’s independence.



Holding of Securities

The Funds

As at December 31, 2024, IRC members beneficially owned, directly or indirectly, in aggregate, less than 10% of the outstanding units of each of the Funds.

Manager

The Manager is a wholly-owned indirect subsidiary of The Vanguard Group, Inc., which is a registered investment advisor in the United States with offices in Valley Forge, Pennsylvania. The Vanguard Group, Inc. is a private company, and accordingly, IRC members do not have any ownership stake in the Manager or The Vanguard Group, Inc.

Service Providers

As at December 31, 2024, IRC members did not beneficially own, directly or indirectly, any class or series of voting or equity securities of any material persons or companies that provided investment fund services to the Funds or the Manager during the Period.

IRC Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds and/or the Manager in appropriate circumstances. The Manager has reported that aggregate compensation, including expenses, paid to the IRC in connection with the duties the IRC performs for the Funds was approximately \$87,086.10.¹ The compensation and expenses associated with the IRC were allocated amongst the Funds equally. To date, the Manager has reimbursed the Funds for the ongoing operating expenses of the IRC, including IRC compensation and expenses.

On an annual basis, the IRC will review compensation in a manner consistent with good governance practices, giving consideration to many important factors, including:

- a) the best interests of the Funds;
- b) the number, nature and complexity of the Funds;
- c) the nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member;
- d) industry best practices and trends, including information on the compensation that other Canadian investment fund IRC members receive in comparable circumstances;
- e) surveys on IRC compensation, if available;

¹ The IRC also serves as the IRC for other investment funds managed by the Manager. The Manager has reported that the total aggregate compensation, including expenses, paid to the IRC in connection with the duties the IRC performs for all funds, including the Vanguard Index ETFs, the Vanguard Factor ETFs, the Vanguard Asset Allocation ETFs and Vanguard Mutual Funds, was \$133,171.09 during the Period and was allocated amongst the Funds equally.

- f) the IRC’s most recent annual self-assessment, in addition to, the nature and timeline of previous compensation adjustments²; and
- g) the Manager’s recommendation about IRC compensation and expenses, if made.

During the Period, no amounts were paid to IRC members by the Funds pursuant to indemnities given by the Funds to the IRC members.

Conflict of Interest Matters

National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”) requires the IRC to review conflict of interest matters identified and referred to the IRC by the Manager, in addition to, the Manager’s written policies and procedures it has in place to manage those conflict of interest matters, and to then give an approval or a recommendation, depending on the nature of the conflict of interest matter. In certain cases, the IRC may also issue a standing instruction to the Manager in conjunction with the approval or recommendation, which, in effect, enables the Manager to act in the particular conflict of interest matter on a continuing basis. Where a standing instruction has been issued, the Manager must present the standing instruction to the IRC for their review and renewal on an annual basis.

Below is a brief summary of the conflict of interest matters that have been identified by the Manager in connection with the Funds and referred by the Manager to the IRC for a review and decision:

Conflict of Interest Matter	IRC Decision	Standing Instructions Issued	Date of Initial IRC Decision
Inter-fund trades	Approval	Yes	November 1, 2011
Monitoring services provided by a related sub-advisor, which includes overseeing potential conflict issues of the sub-advisor, including: • best execution; • trade allocation and aggregation; • personal trading, and • trade error correction.	Positive Recommendation	Yes	November 1, 2011
Fund valuation	Positive Recommendation	Yes	November 1, 2011

² The most recent change to IRC compensation occurred on July 1, 2022.

Correcting errors made in calculating the net asset value of the investment funds	Positive Recommendation	Yes	November 1, 2011
The payment and allocation of operating expenses	Positive Recommendation	Yes	November 1, 2011
Proxy voting	Positive Recommendation	Yes	November 1, 2011
Personal trading	Positive Recommendation	Yes	November 1, 2011
Outside activities and the acceptance and provision of gifts and entertainment	Positive Recommendation	Yes	November 1, 2011

To date, no conflict of interest matter has been referred by the Manager to the IRC for which the IRC did not give an approval or a positive recommendation.

Compliance

The IRC has not been made aware of and does not know of any instances in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in an approval, a recommendation and/or a standing instruction. The Manager has an obligation to notify the IRC of any such instance.

The IRC is responsible for responding only to conflict of interest matters brought to it by the Manager.



**Schedule “A”
Investment Funds**

Vanguard Canadian Equity ETFs

Vanguard FTSE Canada Index ETF (VCE)
Vanguard FTSE Canada All Cap Index ETF (VCN)
Vanguard FTSE Canadian High Dividend Yield Index ETF (VDY)
Vanguard FTSE Canadian Capped REIT Index ETF (VRE)

Vanguard Canadian Fixed Income ETFs

Vanguard Canadian Aggregate Bond Index ETF (VAB)
Vanguard Canadian Government Bond Index ETF (VGX)
Vanguard Canadian Corporate Bond Index ETF (VCB)
Vanguard Canadian Short-Term Bond Index ETF (VSB)
Vanguard Canadian Short-Term Corporate Bond Index ETF (VSC)
Vanguard Canadian Long-Term Bond Index ETF (VLB)
Vanguard Canadian Ultra-Short Government Bond Index ETF (VVSG)

Vanguard International Equity ETFs

Vanguard S&P 500 Index ETF (VFV)
Vanguard S&P 500 Index ETF (CAD-hedged) (VSP)
Vanguard U.S. Total Market Index ETF (VUN)
Vanguard U.S. Total Market Index ETF (CAD-hedged) (VUS)
Vanguard U.S. Dividend Appreciation Index ETF (VGG)
Vanguard U.S. Dividend Appreciation Index ETF (CAD-hedged) (VGH)
Vanguard FTSE Global All Cap ex Canada Index ETF (VXC)
Vanguard FTSE Developed All Cap ex U.S. Index ETF (VDU)
Vanguard FTSE Developed All Cap ex U.S. Index ETF (CAD-hedged) (VEF)
Vanguard FTSE Developed All Cap ex North America Index ETF (VIU)
Vanguard FTSE Developed All Cap ex North America Index ETF (CAD-hedged) (VI)
Vanguard FTSE Developed ex North America High Dividend Yield Index ETF (VIDY)
Vanguard FTSE Developed Europe All Cap Index ETF (VE)
Vanguard FTSE Developed Asia Pacific All Cap Index ETF (VA)
Vanguard FTSE Emerging Markets All Cap Index ETF (VEE)

Vanguard International Fixed Income

Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged) (VBU)
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged) (VBG)
Vanguard Global Aggregate Bond Index ETF (CAD-hedged) (VGAB)