



Vanguard®

Fact sheet | February 28, 2015

VBU

# Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)

## Trading information

Ticker symbol	VBU
CUSIP	92206G103
SEDOL	BBX47W6
ISIN	CA92206G1037
Index ticker	LBUFTRDH
Exchange	Toronto Stock Exchange
Currency	CAD

## ETF facts

Benchmark	Barclays U.S. Aggregate Float Adjusted Bond Index (CAD Hedged)
Dividend schedule	Monthly
ETF total net assets	\$8 million
Inception date	June 30, 2014
Eligibility	RRSP, RRIF, RESP, TFSA, DPSP, RDSP
Management fee* MER	0.20% —

## Objective

The fund seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad U.S. bond index, which Index is hedged to the Canadian dollar. Currently, this Vanguard ETF seeks to track the Barclays U.S. Aggregate Float Adjusted Bond Index (CAD Hedged) (or any successor thereto). It invests directly or indirectly primarily in public, investment-grade, taxable, fixed income securities in the U.S. and uses derivative instruments to seek to hedge the U.S. dollar exposure of the securities included in the Barclays U.S. Aggregate Float Adjusted Bond Index to the Canadian dollar.

## About the benchmark

- The Barclays U.S. Aggregate Float Adjusted Bond Index (CAD Hedged) is a market capitalization-weighted index that represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the U.S. - including government, corporate and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities - all with maturities of more than one year, with the U.S. dollar exposure of the securities included in the Barclays U.S. Aggregate Float Adjusted Bond Index hedged to the Canadian dollar.

## Performance history

Total returns for period ending February 28, 2015

	3 months	Year to date	1 year	3 years	5 years	Since inception
VBU Market price	—%	—%	—%	—%	—%	—%
VBU Net asset value	—	—	—	—	—	—
Benchmark	1.66	1.50	6.08	—	—	3.89

Per NI 81 102 Part 15 performance data may not be provided to non unit holders of the Vanguard ETFs in relation to Vanguard ETFs that have not distributed securities for at least one year. Performance data for the Vanguard ETF's will be provided after the Vanguard ETF has one year of performance history.

The performance of the index is not an exact representation of any particular investment as you cannot invest directly in an index and past performance does not guarantee future results. The performance of the index does not reflect the deduction of any ongoing fees or expenses which would have reduced total returns.

\* The management fee is equal to the fee paid by the Vanguard ETF™ to Vanguard Investments Canada Inc., and does not include applicable taxes or other fees and expenses of the Vanguard ETF. Since this Vanguard ETF invests in another Vanguard fund, the management also includes any fees paid to Vanguard Investments Canada Inc. or its affiliates by such other Vanguard fund as well as certain expenses of the other Vanguard fund that are paid directly by the other Vanguard Fund. Vanguard Investments Canada Inc. will not receive a fee in respect of its provision of services as trustee.

## Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)

### ETF characteristics

	VBU	Benchmark
Number of bonds	7,120	9,115
Effective YTM	2.07%	2.08%
Average duration	5.6 years	5.6 years
Average maturity	7.8 years	7.7 years
Average coupon	0.0%	3.2%
Cash investment	0.5%	—

Effective YTM represents the weighted average of the ETF's individual bond holdings' yield to maturities and is calculated based on the market value of each fixed income investment. Yield to maturity incorporates expected capital gains or losses into the calculation, but ETFs generally do not hold bonds to maturity, so the fund will never actually receive the return stated. The calculation does not include fees and expenses that might be part of the funds' investments.

### Distribution by issuer (% of fund)

	VBU*
Treasury/Agency	43.6%
Government Mortgage-Backed	20.3
Industrial	15.4
Finance	8.5
Foreign	6.9
Commercial Mortgage-Backed	2.2
Utilities	2.1
Asset-Backed	0.6
Other	0.4

### For more information contact:

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\* Information displayed is for the U.S.-domiciled Vanguard Total Bond Market ETF.

**Investors will usually pay brokerage fees to their dealer if they purchase or sell units of ETFs on Toronto Stock Exchange (TSX). If the units are purchased or sold on TSX, investors may pay more than the current net asset value when buying units of the ETF and may receive less than the current NAV when selling them. ETFs are priced continuously and bought and sold throughout the day in the secondary market, which entails paying additional costs such as bid/ask spreads. There are ongoing fees and expenses associated with owning units of an ETF. An ETF must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the Vanguard ETFs™ in these documents at [www.vanguardcanada.ca](http://www.vanguardcanada.ca). ETFs are not guaranteed, their values change frequently and past performance may not be repeated. Vanguard ETFs are managed by Vanguard Investments Canada Inc. a wholly-owned indirect subsidiary of the Vanguard Group, Inc.**

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### Distribution by credit maturity (% of fund)

	VBU
Under 1 Year	1.3%
1 - 3 Years	25.9
3 - 5 Years	22.9
5 - 10 Years	34.2
10 - 20 Years	3.4
20 - 30 Years	11.8
Over 30 Years	0.5

### Distribution by credit quality (% of fund)

	VBU
Aaa	5.7%
Aa	4.0
Baa	13.6
< Baa	0.0
A	12.8
U.S. Government	63.9

Credit-quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.