



PRESS RELEASE

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VANGUARD FILES FINAL PROSPECTUS FOR HIGH QUALITY, LOW-COST EXCHANGE-TRADED FUNDS

ETF Management Fees to Range From 0.09% - 0.49%

TORONTO (9 November 2011) — Vanguard Investments Canada Inc. announced today that a final prospectus for its first suite of Canadian-domiciled exchange-traded funds (Vanguard ETFs) has been receipted by the securities regulatory authorities. Vanguard expects to list six ETFs on the Toronto Stock Exchange (TSX) subject to meeting all regulatory and TSX requirements.

The range of Vanguard ETFs will feature a low average management fee of 0.24%. The ETF industry average Management Expense Ratio (MER) is nearly four times higher, at 0.88%. It is important to note that management fees are one component of MERs, which also include certain other operating expenses (but do not include brokerage commissions and other trading expenses). Although the official MERs for the Vanguard ETFs will not be calculated until after their first year-end, Vanguard expects the MERs of its ETFs to be substantially similar to their management fees, as the Vanguard ETFs should incur only nominal other costs that would be included in the MER calculation.

The expected cost differential between the Vanguard ETF range and other investment options is even more dramatic when compared with the average Canadian mutual fund MER of 2.04%. This means that the average mutual fund manager must consistently outperform the fund's benchmark by more than 2% simply to match the market's returns.

"Research by Vanguard, Morningstar and others has shown time and again that costs are the key determinant of mutual fund or ETF performance. By controlling costs, investors are on better footing towards reaching their long-term investment goals because they keep more of their returns," said Atul Tiwari, Managing Director of Vanguard Investments Canada Inc.

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The six Vanguard ETFs and corresponding benchmark index, proposed TSX ticker symbol, and management fee are as follows:

| Name of Vanguard ETF | Benchmark Index | Annual Management Fee* (% of NAV) | TSX Ticker Symbol |
|--|---|--|--------------------------|
| Vanguard MSCI Canada Index ETF | MSCI Canada Index | 0.09% | VCE |
| Vanguard MSCI U.S. Broad Market Index ETF (CAD-hedged) | MSCI US Broad Market 100% hedged to CAD Index | 0.15% ¹ | VUS |
| Vanguard MSCI EAFE Index ETF (CAD-hedged) | MSCI EAFE 100% hedged to CAD Index | 0.37% ¹ | VEF |
| Vanguard MSCI Emerging Markets Index ETF | MSCI Emerging Markets Index | 0.49% ¹ | VEE |
| Vanguard Canadian Aggregate Bond Index ETF | Barclays Capital Global Aggregate Canadian Float Adjusted Bond Index | 0.20% | VAB |
| Vanguard Canadian Short-Term Bond Index ETF | Barclays Capital Global Aggregate Canadian Government/Credit 1-5 year Float Adjusted Bond Index | 0.15% | VSB |

¹ This Vanguard ETF invests primarily in a U.S.-domiciled Vanguard fund. To ensure that there is no duplication of management fees chargeable in connection with the Vanguard ETF and its investment in the Vanguard fund, the management fee payable by the Vanguard ETF to Vanguard Investments Canada Inc. set out above is reduced by the aggregate of the management fee payable by the Vanguard fund to an affiliate of Vanguard Investments Canada Inc. and certain expenses of the Vanguard fund that are paid directly by the Vanguard fund (together, the "Vanguard fund total expense ratio"). The Vanguard fund total expense ratio is embedded in the market value of the Vanguard fund shares in which the Vanguard ETF invests.

Vanguard Investments Canada Inc. is the manager of the Vanguard ETFs and The Vanguard Group, Inc. will provide portfolio management services to the Vanguard ETFs.

Vanguard is a global leader in ETFs with more than CAD \$157 billion in ETF assets, and has ETFs listed on exchanges in the U.S., Mexico and Australia. In the U.S., The Vanguard Group, Inc. led the industry with CAD \$34 billion in ETF cash flow in 2010, and its momentum continues in 2011 with CAD \$28 billion in cash flow through September (sources: Bloomberg and Vanguard).

About Vanguard

Vanguard Investments Canada Inc. is a wholly-owned indirect subsidiary of The Vanguard Group, Inc. Vanguard is one of the world's largest investment management companies and a leading provider of company-sponsored retirement plan services. Vanguard manages more than CAD \$1.7 trillion in global assets. Vanguard offers more than 170 funds to U.S. investors and more than 70 additional funds in non-U.S. markets.

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All asset figures are as of September 30, 2011, unless otherwise noted. All data exclude the new Vanguard ETFs.

*The table reflects management fees payable by the Vanguard ETFs to Vanguard Investments Canada Inc. as reported in the prospectus of the Vanguard ETFs. As the Vanguard ETFs are newly formed and have not yet completed a fiscal period, information in relation to the actual MERs does not exist. MERs for the Vanguard ETFs will first be calculated at the end of their first fiscal period. Vanguard expects that the MERs of the Vanguard ETFs will be substantially similar to their management fees, as it is expected that the only additional fees and expenses that will be borne by the Vanguard ETFs and included in the MER calculation will be fees and expenses relating to the implementation and on-going operation of the Vanguard ETFs' independent review committee and any goods and services and/or harmonized sales tax payable by the Vanguard ETFs. MERs for ETFs are generally higher than management fees for ETFs.

With respect to the industry average MERs for Canadian ETFs and mutual funds, the averages reflect MERs compiled from annual and semiannual management reports of fund performance and/or financial statements. MERs vary from fund to fund and do not include brokerage commissions or other trading expenses.

Commissions, management fees, and expenses all may be associated with the Vanguard ETFs. This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies are available from Vanguard Investments Canada Inc. at www.vanguardcanada.ca. Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently, and past performance may not be repeated.

Investing in Vanguard ETFs involves risk, including the risk of error in tracking the underlying index. Investments in exchange-traded bond funds are subject to interest rate, credit, and inflation risk. Foreign investing involves additional risks, including currency fluctuations and political uncertainty. Investments in emerging markets are generally more risky than investments in developed countries. ETFs are subject to risks similar to those of stocks.

Diversification does not ensure a profit or protect against a loss in a declining market. While the Vanguard ETFs are designed to be as diversified as the original indices they seek to track and can provide greater diversification than an individual investor may achieve independently, any given ETF may not be a diversified investment.

All investments, including those that seek to track an index, are subject to risk, including the possible loss of principal. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

The Vanguard ETFs are not sponsored, endorsed, sold or promoted by Barclays Capital. Barclays Capital does not make any representation regarding the advisability of the Vanguard ETFs or the advisability of investing in securities generally. Barclays Capital's only relationship with Vanguard is the licensing of the indices which are determined, composed and calculated by Barclays Capital without regard to Vanguard or the Vanguard ETFs. Barclays Capital has no obligation to take the needs of Vanguard or the owners of the Vanguard ETFs into consideration in determining, composing or calculating the indices. Barclays Capital has no obligation or liability in connection with administration, marketing or trading of the Vanguard ETFs.

The Vanguard ETFs are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to the Vanguard ETFs. The prospectus contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.