



PRESS RELEASE

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VANGUARD TO EXPAND LOW-COST ETF LINEUP

TORONTO (May 13, 2014)—Vanguard Investments Canada Inc. plans to broaden its family of low-cost exchange-traded funds (ETFs) to 21 with the addition of 5 ETFs. The firm has filed a preliminary prospectus with the Canadian securities regulators for three international equity ETFs and two international bond ETFs.

ETF Name	Benchmark	Annual management fee* (% of NAV)
Vanguard FTSE All-World ex Canada Index ETF	FTSE All-World ex Canada Index	0.25% ¹
Vanguard FTSE Developed Europe Index ETF	FTSE Developed Europe Index	0.23% ¹
Vanguard FTSE Developed Asia Pacific Index ETF	FTSE Developed Asia Pacific Index	0.23% ¹
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)	Barclays U.S. Aggregate Float Adjusted Bond Index (CAD Hedged)	0.20% ¹
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)	Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (CAD Hedged)	0.35% ¹

¹ This Vanguard ETF invests primarily in one or more U.S.-domiciled Vanguard funds. To ensure that there is no duplication of management fees chargeable in connection with the Vanguard ETF™ and its investment in the Vanguard fund(s), 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(s) to an affiliate of Vanguard Investments Canada Inc. and certain expenses of the Vanguard fund(s) that are paid directly by the Vanguard fund(s) (together, the “Vanguard fund total expense ratio”). The Vanguard fund(s) total expense ratio is embedded in the market value of the Vanguard fund(s) shares in which the Vanguard ETF invests.

“We are committed to providing investors access to broadly diversified investments, managed by Vanguard’s experienced team of index investment professionals, at an extremely low cost,” said Atul Tiwari, managing director of Vanguard Investments Canada Inc. “Since entering the Canadian market in 2011, Vanguard has gained increasing investor acceptance and recognition as a leading ETF provider.”

Vanguard Investments Canada Inc. currently offers 16 ETFs with total assets of more than \$2.4 billion. The firm won ETF Provider of the Year and Best Equity ETF awards in 2013 at the 19th annual

Morningstar Canadian Investment Awards. Vanguard won Best Equity ETF for Vanguard U.S. Total Market Index ETF (CAD- hedged) (VUS).

On average, Vanguard's ETF fees are well below those of other providers. The average management expense ratio (MER)—which includes the management fee—for Vanguard's current lineup of ETFs was 0.24% as of December 31, 2013, while ETF industry average was 0.80%. Mutual funds had an average MER of 2.25%.**

The average management fee for Vanguard's expanded lineup of 21 ETFs is expected to be 0.22%. Information in relation to the actual MERs of Vanguard's proposed ETFs does not yet exist, and therefore an average MER for the expanded lineup cannot be calculated.

About Vanguard

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc. and manages more than \$2.4 billion (CAD) in assets. The Vanguard Group, Inc. is one of the world's largest investment management companies and a leading provider of company-sponsored retirement plan services. Vanguard manages more than \$2.8 trillion (USD) in global assets, including \$360 billion (USD) in global ETF assets. Vanguard has offices in the United States, Canada, Europe, Australia and Asia. The firm offers more than 160 funds to U.S. investors and more than 100 additional funds, including ETFs, to clients in the other markets in which the firm operates.

Vanguard operates under a unique operating structure. Unlike firms that are publicly held or owned by a small group of individuals, The Vanguard Group is owned by Vanguard's U.S.-domiciled funds and ETFs. Those funds, in turn, are owned by Vanguard clients. This unique mutual structure aligns Vanguard interests with those of its investors and drives the culture, philosophy, and policies throughout the Vanguard organization worldwide. As a result, Canadian investors benefit from Vanguard's stability and experience, low-cost investing, and client focus. For more information, please visit vanguardcanada.ca.

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All asset figures are as of April 30, 2014, unless otherwise noted.

*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 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 any goods and services and/or harmonized sales tax payable by the Vanguard ETFs. Currently, Vanguard Investments Canada Inc. has agreed to pay the ongoing operating expenses of the Vanguard ETF's independent review committee rather than charging those expenses to the Vanguard ETFs. It may discontinue paying such expenses at any time. MERs for ETFs are generally higher than management fees for ETFs.

** With respect to the average ETF industry management expense ratios (MERs), this reflects MERs compiled by Vanguard from Management Reports of Fund Performance, excluding the Vanguard ETFs, as of December 31, 2013. Average MERs for mutual funds (Series A and Series T) are reported by Investor Economics, as of December 31, 2013.

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. 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.

Investments in bond funds are subject to interest rate, credit, and inflation risk. Foreign investing involves additional risks, including currency fluctuations and political uncertainty.

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