



## PRESS RELEASE

For more information, contact Vanguard Public Relations at 610-669-5002.

### VANGUARD LAUNCHES FIVE NEW ETFS ON TSX

#### Firm continues to build family of low-cost ETFs with new first-of-a-kind Canada-domiciled global offerings

TORONTO (July 8, 2014)— Vanguard Investments Canada Inc. announced today that five new Canada-domiciled exchange-traded funds (Vanguard ETFs™) will begin trading this morning on Toronto Stock Exchange (TSX). The three equity and two bond ETFs bring to 21 the number of ETFs offered by the firm.

Vanguard FTSE All-World ex Canada Index ETF, Vanguard FTSE Developed Asia Pacific Index ETF, Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged) and Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged), each offer first-of-a-kind market exposures among Canada-domiciled ETFs.

ETF Name	Benchmark	Annual management fee* (% of NAV)	TSX Ticker Symbol
Vanguard FTSE All-World ex Canada Index ETF	FTSE All-World ex Canada Index	0.25% <sup>1</sup>	VXC
Vanguard FTSE Developed Europe Index ETF	FTSE Developed Europe Index	0.23% <sup>1</sup>	VE
Vanguard FTSE Developed Asia Pacific Index ETF	FTSE Developed Asia Pacific Index	0.23% <sup>1</sup>	VA
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)	Barclays U.S. Aggregate Float Adjusted Bond Index (CAD Hedged)	0.20% <sup>1</sup>	VBU
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% <sup>1</sup>	VBG

<sup>1</sup> 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.

Vanguard FTSE All-World ex Canada Index ETF is the first to track the performance of a broad global equity index that focuses on developed and emerging markets, excluding Canada. Vanguard FTSE Developed Asia Pacific Index ETF is the first to track the performance of a broad Asia Pacific equity index that focuses on developed Asia Pacific markets.

Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged) and Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged) are the first to offer exposure to U.S. and international government bonds with currency hedging, in addition to other fixed-income securities.

“Our new broad market global and international index ETFs will better enable individual investors, financial advisors and institutions to obtain broader diversification and lower risk to their overall portfolios,” said Atul Tiwari, managing director of Vanguard Investments Canada Inc. “Our research shows that investors display a persistent and significant home bias, and Canadian investors should consider allocating assets to international securities.”

Vanguard [research](#) demonstrates that investors, regardless of country of residence, favour domestic holdings at the expense of foreign securities. This home bias often conflicts with the principles of broad global diversification.

Prior to today’s announcement, Vanguard Investments Canada Inc. offered 16 ETFs with total assets of more than \$2.5 billion. The weighted-average management expense ratio (MER)—which includes the management fee—for those ETFs was 0.22% as of December 31, 2013, while the ETF industry average was 0.41%. Mutual funds had a weighted-average MER of 2.01%.\*\*

The simple-average management fee for Vanguard’s expanded lineup of 21 ETFs is expected to be 0.22%. (Information on the actual MERs of Vanguard’s new ETFs is not yet available, and therefore an average MER for the expanded lineup cannot be calculated.)

The firm was recognized as the ETF Provider of the Year in 2013 at the 19th annual Morningstar Canadian Investment Awards. Vanguard U.S. Total Market Index ETF (CAD- hedged) (VUS) was presented with the Best Equity ETF award by Morningstar.

### **About Vanguard**

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc. and manages more than \$2.5 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 has global assets of more than \$2.8 trillion (USD), including more than \$370 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](http://vanguardcanada.ca).

# # #

All asset figures are as of June 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 is not yet available. 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 reimburse the Vanguard ETFs for the ongoing operating expenses of the Vanguard ETF's independent review committee. The Manager may discontinue this practice 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](http://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.

All rights in FTSE All-World ex Canada Index, FTSE Developed Europe Index and FTSE Developed Asia Pacific Index (the "FTSE Indices") vest in FTSE International Limited ("FTSE"). "FTSE®" is a trademark of London Stock Exchange Group companies and is used by FTSE under licence. Vanguard FTSE All-World ex Canada Index ETF, Vanguard FTSE Developed Europe Index ETF and Vanguard FTSE Developed Asia Pacific Index ETF (the "Products") have been developed solely by Vanguard. The FTSE Indices are calculated by FTSE or its agent. FTSE and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote the Products and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the FTSE Indices or

(b) investment in or operation of the Products. FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Products or the suitability of the Indices for the purpose to which they are being put by Vanguard.

The Vanguard ETFs are not sponsored, endorsed, sold or promoted by Barclays. Barclays does not make any representation regarding the advisability of the Vanguard ETFs or the advisability of investing in securities generally. Barclays' only relationship with Vanguard is the licensing of the index which is determined, composed and calculated by Barclays without regard to Vanguard or the Vanguard ETFs.

Barclays has no obligation to take the needs of Vanguard or the owners of the Vanguard ETFs into consideration in determining, composing or calculating the index. Barclays has no obligation or liability in connection with administration, marketing or trading of the Vanguard ETFs.

Morningstar Awards 2013(c). Morningstar, Inc.

All Rights Reserved. Awarded to Vanguard Investments Canada Inc., for ETF Provider of the Year and Best Equity ETF, Canada. For further information about the Morningstar Awards, including information relating to the criteria upon which the awards are based, please visit [www.investmentawards.com](http://www.investmentawards.com).