



PRESS RELEASE

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VANGUARD FILES FINAL PROSPECTUS TO BROADEN LOW COST ETF LINE-UP

TORONTO (October 17, 2012)—Vanguard Investments Canada Inc. announced today that a final prospectus for five new Canadian-domiciled exchange-traded funds (Vanguard ETFs) has been received by the securities regulatory authorities. Vanguard expects to list the new ETFs on Toronto Stock Exchange (TSX) subject to meeting all regulatory and TSX requirements.

Name of Vanguard ETF™	Benchmark Index	Annual Management Fee* (% of NAV)	TSX Ticker Symbol
Vanguard FTSE Canadian High Dividend Yield Index ETF	FTSE Canada High Dividend Yield Index	0.30%	VDY
Vanguard FTSE Canadian Capped REIT Index ETF	FTSE Canada All Cap Real Estate Capped 25% Index	0.35%	VRE
Vanguard Canadian Short-Term Corporate Bond Index ETF	Barclays Global Aggregate Canadian Credit 1-5yr Float Adjusted Bond Index	0.15%	VSC
Vanguard S&P 500 Index ETF	S&P 500 Index	0.15% ¹	VFV
Vanguard S&P 500 Index ETF(CAD-hedged)	S&P 500 Index (CAD-Hedged)	0.15% ¹	VSP

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's initial lineup of six ETFs was listed on TSX on December 6, 2011, and has attracted more than \$300 million in total assets. With the addition of the five new ETFs, Vanguard's 11 ETFs will feature a low average management fee of 0.23%.

"While you cannot control what happens in stock or bond markets, one thing an investor can have a degree of control over is what they pay," said Atul Tiwari, Managing Director of Vanguard Investments Canada. "Over the long-term, the compounding effect of fees can detract significantly from

actual performance. However, Vanguard ETFs are distinguished in the market by low cost, broadly diversified portfolios.”

Vanguard is a global leader in ETFs with more than \$230 billion in ETF assets, and has ETFs listed on exchanges in the U.S., Mexico, the United Kingdom, and Australia. In the U.S., Vanguard led the industry with \$36 billion in ETF cash flow in 2011, and it continues to lead the industry in 2012, with \$41 billion in cash flow through July (source: 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 \$2 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. For more information, please visit vanguardcanada.ca.

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All asset figures are as of September 30, 2012, 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 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 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.

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 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. 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 have been developed solely by Vanguard Investments Canada Inc. The FTSE Canada High Dividend Yield Index and the FTSE Canada All Cap Real Estate Capped 25% Index (the "Indices") are calculated by FTSE International Limited ("FTSE") or its agent. All rights in the Indices vest in FTSE. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence.

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.

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