



PRESS RELEASE

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VANGUARD INTRODUCES QUALITY LOW-COST ETFS AND DISTRIBUTION REINVESTMENT PROGRAM

TORONTO (November 8, 2012)— Five new Vanguard exchange-traded funds (ETFs) will begin trading this morning on Toronto Stock Exchange, broadening to 11 our family of low-cost, disciplined, diversified, and long-term oriented ETFs.

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 ¹	FTSE Canada All Cap Real Estate Capped 25% Index	0.35%	VRE
Vanguard S&P 500 Index ETF (CAD-hedged)	S&P 500 Index (CAD-Hedged)	0.15% ²	VSP
Vanguard S&P 500 Index ETF	S&P 500 Index	0.15% ²	VFV
Vanguard Canadian Short-Term Corporate Bond Index ETF	Barclays Global Aggregate Canadian Credit 1-5yr Float Adjusted Bond Index	0.15%	VSC

¹ Effective immediately, the cash distribution payment frequency of Vanguard FTSE Canadian Capped REIT Index ETF (VRE) is changed from quarterly to monthly.

² 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.’s initial lineup of six ETFs was listed on TSX on December 6, 2011, and has attracted more than \$344 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%.

“This expansion of our quality, low-cost ETF family provides investors with greater choices and brings lower cost ETFs to the market,” said Atul Tiwari, Managing Director of Vanguard Investments

Canada. “Investors are smart. They are gravitating toward products that offer the best combination of low costs and broad diversification. They realize that costs eat away at returns and keeping costs low is important to building wealth.”

Vanguard is also introducing a Distribution Reinvestment Program (DRIP) that is designed to help investors build wealth over time.

“Reinvesting distributions—whether dividends from stocks, or interest from bonds—puts time and compounding to work for the investor,” said Jason McIntyre, head of distribution for Vanguard Investments Canada. “Through our new, commission-free reinvestment program, investors can now automatically reinvest distributions from ETFs into more ETF units.”

Vanguard is a global leader in ETFs with \$232 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 \$44 billion in cash flow through October (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 October 31, 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.

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