



PRESS RELEASE

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VANGUARD CONTINUES MOMENTUM IN GLOBAL ETF MARKET

2014 marked by asset growth, product innovation and expense reductions

TORONTO (December 17, 2014)— Vanguard reported today that it continued to see strong adoption in 2014 of its exchange-traded funds (ETFs) in the United States, Canada, Europe, Australia, Asia and elsewhere around the world. The firm reported global ETF cash flow of more than \$75 billion at the end of November and total global ETF assets of more than \$442 billion.

“Vanguard’s value proposition is not confined by geographic boundaries,” said Vanguard Chief Investment Officer Tim Buckley. “It’s gratifying to see our low-cost, high-quality approach to investing resonating so strongly with investors around the world. We will continue to seek to drive down the cost of investing for the clients whom we serve around the world.”

Highlights for 2014 include:

United States

Cash flow continues to be strong in Vanguard’s lineup of 67 U.S.-based ETFs, with investors entrusting \$63.5 billion to the firm year-to-date through November 2014 (Vanguard had \$55 billion in cash flow into its U.S.-based ETFs in calendar-year 2013). (source: Bloomberg). The U.S. Vanguard ETF™ assets closed November with a total of \$422.5 billion.

Additionally, Vanguard reported lower expense ratios on 22 ETFs over the past year, including reductions for some of its largest and most popular ETFs: the \$48 billion Vanguard Emerging Markets ETF (ticker: VWO) (from 0.18% to 0.15%) and the \$24 billion Vanguard FTSE Developed Markets ETF (ticker: VEA) (from 0.10% to 0.09%).

Europe

Vanguard Asset Management was second out of more than 50 European ETF providers in terms of cash flow year-to-date through November. Vanguard finished the month with \$14.2 billion (€11.4 billion) in ETF assets under management.

The company launched four new equity ETFs in October and now offers 13 ETFs in the United Kingdom and Europe. The ongoing costs for Vanguard's European ETF suite now range from 0.07% to 0.29%, compared with an industry average of 0.35% (Source: ETFGI). The firm lowered charges on 25 U.K. and Irish-domiciled index mutual funds and ETFs during the year.

Australia

Vanguard Australia had more than \$2 billion (\$2.5 billion AUD) in ETF assets under management through November. The firm recently launched two new international ETFs: Vanguard MSCI Index International Shares ETF (ASX: VGS) and Vanguard MSCI Index International Shares (hedged) ETF (ASX:VGAD), bringing to 12 the number of ETFs it offers Australian investors and advisors. With expense ratios of 0.18% and 0.21%, respectively, the funds are among the lowest-cost, locally managed international equity product offerings in the market. Vanguard Australia was awarded Best ETF Provider at both the Money Management/Lonsec Fund Manager of the Year Awards and Money Magazine's Best of the Best awards.

Canada

Vanguard Investments Canada Inc. had more than \$3 billion (\$3.5 billion CAD) in ETF assets under management through November. It concluded its third year of operations in Canada, during which the firm launched five new exchange-traded funds (ETFs) and lowered management fees on more than half of its current lineup of 21 ETFs. Additionally, in November of this year, Vanguard Investments Canada Inc. was recognized as Morningstar's ETF Provider of the Year-Canada for the second straight year.

Hong Kong

Vanguard Investments Hong Kong expanded its product offering in June with three new Hong Kong-domiciled ETFs. The firm introduced its first ETF in May 2013 and finished November with \$55 million in ETF assets (\$426 million HKD). Each of Vanguard's Hong-Kong domiciled ETFs has the lowest expense ratio in the market for its category, with total expense ratios ranging from 0.25% to

0.45%. The Hong Kong office serves as the Asian hub for the company, which established a site in Japan in 2000 and in Singapore in 2003.

About Vanguard

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc. and manages \$3.5 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 manages more than \$3 trillion (USD) in global assets, including more than \$442 billion (USD) in global ETF assets. Vanguard has offices in the United States, Canada, Europe, Australia, and Asia. The firm offers nearly 160 funds to U.S. investors and an additional 125 funds, including ETFs, to clients in the other markets in which the firm operates.

What sets Vanguard apart – and lets Vanguard put investors first around the world – is the ownership structure of The Vanguard Group, Inc., in the United States. Rather than being publicly traded or owned by a small group of individuals, The Vanguard Group, Inc. is owned by Vanguard's U.S.-domiciled funds and ETFs. Those funds, in turn, are owned by their investors. 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 November 30, 2014, unless otherwise stated.

For further information about the Morningstar Awards, including information relating to the criteria upon which the awards are based, please visit www.investmentawards.com.

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