



MEDIA RELEASE

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VANGUARD REPORTS STRONG GLOBAL ETF GROWTH; CONTINUES TO BROADEN ETF LINEUPS AND LOWER EXPENSES

VALLEY FORGE, PA USA (29 July 2013)—Vanguard, the third-largest global provider of ETFs, today reported that its exchange-traded funds (ETFs) continue to gain widespread investor acceptance around the world. With global ETF assets of USD 281 billion as of 30 June 2013, Vanguard has expanded its suite of products in the United States, Australia, Canada, and Europe, and introduced its first ETF in Hong Kong.

“Vanguard is committed to educating the market on the benefits of ETFs as core building blocks of low-cost diversified portfolios,” said **Shelly Painter, Vanguard Asia Regional Managing Director**. “Our physically-backed ETFs offer investors a simple, low-cost way to gain broadly diversified market exposure. Our business is growing as investors increasingly embrace high-quality and transparent funds.”

Jim Norris, Managing Director for Vanguard International, added: “Investors worldwide have become more focused on broad diversification, low investment costs and transparency—the key characteristics of Vanguard index funds and ETFs. It is gratifying to see investors embracing the Vanguard way of investing as we seek to best position them for long-term financial success.”

Highlights for the first six months of 2013 include:

Hong Kong

Vanguard Investments Hong Kong introduced its first ETF—the Vanguard FTSE Asia ex Japan Index ETF (stock code 2805)—in May 2013 on the Hong Kong Stock Exchange. In Asia, Vanguard provides institutions and intermediaries with access to its global management capabilities through ETFs, separately managed accounts and mutual funds. 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.

United States

Cash flow continues to be strong in Vanguard's lineup of 67 U.S.- based ETFs, with investors entrusting an ETF industry-leading USD 26 billion to the firm year-to-date through 30 June 2013 (source: Bloomberg).

Vanguard recently broadened its product line in the United States by introducing a total market international bond ETF, an emerging markets government bond ETF, and a short-term inflation-protected securities ETF. In addition, Vanguard reported lower expense ratios on 56 ETFs over the past year, including reductions for some of its largest and most popular ETFs: its USD 55 billion emerging markets stock ETF (from 0.20% to 0.18%) and its USD 31 billion total stock market ETF (0.06% to 0.05%).

Australia

Vanguard Investments Australia recently reached nearly USD 1 billion in ETF assets under management. Vanguard Australia introduced its first three ETFs in 2009 and now offers a suite of nine ETFs. Among recent expense reductions, its all-world ex-US stock ETF dropped its management expense from 0.18% to 0.15%.

Canada

Vanguard Investments Canada had nearly USD 1 billion in ETF assets under management, as of 30 June 2013. Vanguard entered the Canadian marketplace in December 2011, listing six ETFs on the Toronto Stock Exchange. It added five more ETFs in November 2012.

Europe

Vanguard Asset Management had USD 1.4 billion in ETF assets under management as of the end of June. The company launched four new physically backed, Irish-domiciled ETFs in May 2013 on the London Stock Exchange, complementing the five Irish-domiciled ETFs that it brought to the European market in 2012. Vanguard has also cross-listed seven of the ETFs on the NYSE Euronext Exchange in Amsterdam and Paris, and on the SIX Swiss Exchange in Switzerland.

About Vanguard

The Vanguard Group, based in Valley Forge, Pennsylvania, in the United States, is owned by the US-domiciled Vanguard mutual funds, which in turn are owned by the investors in those funds. This unique mutual structure aligns Vanguard's interests with those of its investors and drives the culture, philosophy and policies throughout the Vanguard organisation worldwide, including Vanguard Investments Hong Kong, Singapore and Japan. As a result, Asian investors benefit from Vanguard's stability and experience, low-cost investing and client focus. Globally, Vanguard manages more than USD 2.5 trillion in mutual fund, separately managed account and ETF assets. For more information about Vanguard Investments Hong Kong, visit www.vanguard.com.hk.

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All asset figures are as of 30 June 2013, unless otherwise specified.

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