



Interim Management Report of Fund Performance | June 30, 2015

Vanguard FTSE All-World ex Canada Index ETF

Management Discussion of Fund Performance

Results of Operations

For the six months ended June 30, 2015, Vanguard FTSE All-World ex Canada Index ETF returned 10.84%, compared with the 11.41% return of its benchmark, the FTSE All-World ex Canada Index. The ETF's management fees and other operating expenses reduced performance relative to the Index by 0.12 percentage point. Other factors, such as security selection, fair-value pricing, withholding taxes paid on income, and differences between the market price and the net asset value of the underlying U.S.-domiciled Vanguard ETF in which the ETF invests, accounted for the remainder of the difference. Fair-value pricing is a policy intended to address pricing discrepancies that may arise because of time-zone differences among global stock markets. The policy ensures that the ETF's net asset value doesn't include "stale" prices from markets that close before the U.S. stock market.

Recent Developments

The Manager has called a special meeting of the ETF's unitholders, to be held September 2, 2015, in order to seek unitholder approval to change the ETF's investment objective so that it will seek to replicate the performance of the FTSE Global All Cap ex Canada China A Inclusion Index. Essentially, if the proposed change is approved, the Index that this ETF will

seek to track will include small-capitalization companies, not just large- and mid-capitalization companies, located in developed and emerging markets, other than Canada, and will provide exposure to China. This new exposure will be achieved through China A shares, which are shares of companies based in mainland China that trade on the Shanghai and Shenzhen stock exchanges. If approved, the change is expected to take effect in the last quarter of 2015, and the ETF's name will be changed to "Vanguard FTSE Global All Cap ex Canada Index ETF."

Related Party Transactions

Vanguard Investments Canada Inc. (the "Manager") is the manager, trustee, portfolio manager and promoter of the ETF, and is entitled to receive a management fee for its services that is paid by the ETF to the Manager (see "Management Fees" below).

From time to time, the Manager may, on behalf of the ETF, enter into transactions or arrangements with or involving certain persons or companies that are related to the Manager when, in the discretion of the Manager, it would be in the best interests of the ETF to do so. The purpose of this section is to provide a brief description of any transaction or arrangement with or involving the ETF and a related party.

This interim Management Report of Fund Performance contains financial highlights but does not contain either the complete interim or annual financial statements of the ETF. You can obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-877-410-7275, by writing to us at 155 Wellington Street West, Suite 3720, Toronto, ON M5V 3H1 or by visiting our website at www.vanguardcanada.ca or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Sub-Advisor

The Vanguard Group, Inc. ("VGI"), the indirect parent of the Manager, has been retained by the Manager to act as sub-advisor to the Manager in connection with the ETF. As sub-advisor, VGI manages the investment portfolio of the ETF, provides analysis and makes investment decisions, subject to continuing oversight by the Manager. VGI is a registered investment advisor in the United States with offices based in Valley Forge, Pennsylvania. As compensation for its services as sub-advisor, VGI is entitled to receive a portion of the management fee that is paid by the ETF to the Manager.

With respect to the continuing oversight of VGI by the Manager, the Manager has relied on a positive recommendation and standing instruction that it has received from the ETF's Independent Review Committee ("IRC"). The standing instruction requires the Manager to comply with its current policy and procedures on monitoring services provided by the sub-advisor of the ETF and to report periodically to the IRC, describing each instance in which the Manager relied on the standing instruction and its compliance with the policy and procedures.

Underlying Funds

To achieve its investment objective, the ETF invests primarily in U.S.-domiciled funds ("U.S.-domiciled Vanguard Funds") managed by VGI, the indirect parent of the Manager. VGI is entitled to receive a fee for acting as manager of the U.S.-domiciled Vanguard Funds. To ensure that there is no duplication of fees chargeable in connection with the ETF and its investment in the U.S.-domiciled Vanguard Funds, the management fee payable by the ETF to the Manager as set out below (under Management Fees) is reduced by the aggregate of the management fee payable by the U.S.-domiciled Vanguard Funds to VGI and certain expenses of the U.S.-domiciled Vanguard Funds that are paid directly by the U.S.-domiciled Vanguard Funds (together, the "U.S.-domiciled Vanguard Funds total expense ratio"). The U.S.-domiciled Vanguard Funds total expense ratio is embedded in the market value of the U.S.-domiciled Vanguard Funds shares in which the ETF invests.

Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help readers understand the ETF's financial performance for the periods indicated.

The ETF's Net Assets Per Unit¹

	Period Ended June 30, 2015	Financial Year Ended Dec. 31, 2014 ²
Net assets, beginning of period	\$26.47	\$25.00
Increase (decrease) from operations		
Total investment income	0.43	0.38
Total expenses	(0.02)	(0.02)
Realized gains (losses) for the period	0.02	—
Unrealized gains (losses) for the period	0.54	1.63
Total increase (decrease) from operations³	0.97	1.99
Distributions		
From income (excluding dividends)	(0.30)	(0.22)
From dividends	—	—
From capital gains	—	—
Return of capital	—	(0.01)
Total annual distributions ⁴	(0.30)	(0.23)
Net assets at end of period	\$29.05	\$26.47

¹ This information is derived from the ETF's unaudited interim financial statements for the period ended June 30, 2015, and audited annual financial statements for the year ended December 31, 2014.

² The information shown in this column is for the period beginning June 30, 2014 (the ETF's commencement date), and ending December 31, 2014.

³ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

⁴ Distributions were paid in cash. Actual distributions may vary slightly owing to rounding.

Ratios and Supplemental Data

	Period Ended June 30, 2015	Financial Year Ended Dec. 31, 2014 ¹
Total net asset value (000's) ²	\$197,509	\$33,088
Number of units outstanding (000's) ²	6,800	1,250
Management expense ratio ³	0.23% ⁴	0.27% ⁴
Management expense ratio before waivers or absorptions	0.24% ⁴	0.30% ⁴
Portfolio turnover rate ⁵	1.33%	8.19%
Trading expense ratio ⁶	0.00% ⁴	0.00% ⁴
Net asset value per unit ²	\$29.05	\$26.47
Closing market price	\$29.08	\$26.47

¹ The information shown in this column is for the period beginning June 30, 2014 (the ETF's commencement date), and ending December 31, 2014.

² This information is provided as at June 30, 2015, and December 31 of the year shown, as applicable.

³ Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as a percentage of daily average net asset value during the period.

⁴ Annualized.

⁵ The ETF's portfolio turnover rate indicates how actively the ETF's sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio's turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁶ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of daily average net assets during the period.

Management Fees

As set out under Related Party Transactions, the Manager is the manager, trustee, portfolio manager and promoter of the ETF. As compensation for its services, the Manager is entitled to receive a maximum annual management fee of 0.25%, payable monthly, calculated based on the daily net asset value of the ETF.

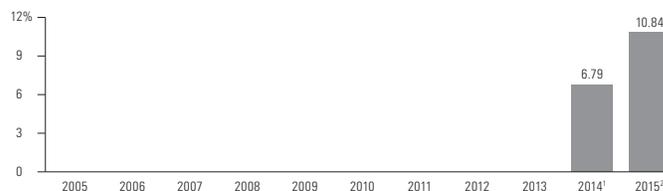
The major services paid for out of the management fee include fees payable to the custodian, registrar and transfer agent, as well as fees payable to other service providers, including the index providers, retained by the Manager.

Past Performance

The ETF's performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF. The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. How the ETF has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the performance of the ETF for each of the periods. The chart shows in percentage terms how much an investment made on the first day of each period would have increased or decreased by the last day of the period.



¹ Return from June 30, 2014 (the ETF's commencement date), to December 31, 2014.

² Return for the six-month period ended June 30, 2015.

Summary of Investment Portfolio

Information displayed is for the U.S.-domiciled Vanguard ETFs in which the ETF primarily invests: Vanguard Large-Cap ETF, Vanguard FTSE Europe ETF, Vanguard FTSE Pacific ETF, and Vanguard FTSE Emerging Markets ETF.

The prospectus and other information about these U.S.-domiciled Vanguard Funds are available on the internet at www.sec.gov/edgar.shtml.

Portfolio Allocation

As at June 30, 2015

	% of Net Asset Value
Exchange-Traded Funds	99.9%
Other	0.1
Total	100.0

Top 25 Holdings

As at June 30, 2015

	% of Net Asset Value
Vanguard Large-Cap ETF	52.2%
Vanguard FTSE Europe ETF	23.0
Vanguard FTSE Pacific ETF	15.0
Vanguard FTSE Emerging Markets ETF	9.7
Top holdings as a percentage of net asset value	99.9
Total net asset value	\$197,509,095

The Summary of Investment Portfolio may change because of the ETF's ongoing portfolio transactions. Updates are available quarterly.



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