



PRESS RELEASE

For more information, contact Vanguard Public Relations at 610-669-5002.

VANGUARD TO CHANGE TARGET BENCHMARKS FOR 4 ETFS

TORONTO (October 2, 2012)—Vanguard Investments Canada Inc. plans to transition four Vanguard TSX-listed exchange-traded funds (ETFs) to benchmarks developed by FTSE and the University of Chicago's Center for Research in Security Prices (CRSP). The transition is expected to provide cost savings over time for the ETFs.

Vanguard ETF	Ticker	Current Index	New Index	New Name
Vanguard MSCI Canada Index ETF	VCE	MSCI Canada Index	FTSE Canada Index	Vanguard FTSE Canada Index ETF
Vanguard MSCI U.S. Broad Market Index ETF (CAD-hedged)	VUS	MSCI U.S. Broad Market 100% Hedged to CAD Index	CRSP US Total Market Hedged to CAD Index	Vanguard CRSP US Total Market Index ETF (CAD-hedged)
Vanguard MSCI EAFE Index ETF (CAD-hedged)	VEF	MSCI EAFE 100% Hedged to CAD Index	FTSE Developed ex North America Index – Hedged CAD	Vanguard FTSE Developed ex North America Index ETF (CAD-hedged)
Vanguard MSCI Emerging Markets Index ETF	VEE	MSCI Emerging Markets Index	FTSE Emerging Index	Vanguard FTSE Emerging Markets Index ETF

“The indexes from FTSE and CRSP are well constructed, offer comprehensive coverage of their respective markets, and meet Vanguard’s ‘best practice’ standards for market benchmarks,” said Gus Sauter, chief investment officer of The Vanguard Group, Inc. “Equally important, and with our clients’ best interests in mind, we negotiated licensing agreements for these benchmarks that we expect will enable us to deliver significant value to our ETF investors.”

Added Atul Tiwari, managing director of Vanguard Investments Canada: “This transition demonstrates The Vanguard Group, Inc.’s continued commitment to the low-cost, index-based approach followed by our ETFs in Canada and around the world. It’s an approach that delivers broad diversification, low costs, and tax efficiency to investors.”

Vanguard also plans to transition 22 U.S.-domiciled index funds/ETFs to FTSE and CRSP benchmarks.

FTSE: A global index leader

Vanguard has used FTSE indexes since 2003 and now employs the firm's benchmarks for more than 20 index portfolios around the world, representing \$26 billion in aggregate assets. With Vanguard's move to the new benchmarks, FTSE will become the third-largest equity exchange-traded index benchmark provider globally.

"Vanguard is very pleased to expand our deep relationship with FTSE," said Mr. Sauter. "The FTSE benchmarks offer comprehensive and diversified coverage of the international developed and emerging markets."

CRSP: An index innovator

CRSP is one of 11 research centers at the University of Chicago Booth School of Business. In 1960, the research organization pioneered the development of U.S. stock market data that are widely used in academic and investment research.

In 2009, CRSP engaged with Vanguard to create a new series of investable indexes, the CRSP Indexes. Vanguard will be the first investment management firm to track CRSP's broadly diversified benchmarks that cover the broad U.S. market, market capitalization segments, and styles.

CRSP's capitalization-weighted methodology introduces the unique concept of "packeting," which cushions the movement of stocks between adjacent indexes and allows holdings to be shared between two indexes of the same family. This approach maximizes style purity while minimizing index turnover.

"CRSP is highly regarded and experienced in the creation of market databases, and its innovative packeting methodology is expected to minimize transaction costs during periodic index rebalancing," said Mr. Sauter.

Additional transition details

The transition will be staggered over several months and is expected to be completed by mid-2013. Vanguard will issue a press release when each ETF begins to track its new index. The new indexes will measure the same market segments as the current indexes.

To learn more about the Vanguard ETFs, please visit www.vanguardcanada.ca.

About FTSE Group

FTSE Group (FTSE) is a world leader in the provision of global index and analytical solutions. FTSE calculates indexes across a wide range of asset classes, on both a standard and custom basis. FTSE indexes are used extensively by investors worldwide for investment analysis, performance measurement, asset allocation, portfolio hedging and the creation of a wide range of index derivatives, funds, ETFs, and other structured products. For more information, visit www.ftse.com.

About The Center for Research in Security Prices (CRSP)

The Center for Research in Security Prices at the University of Chicago Booth School of Business has been an integral part of the academic and commercial world of financial and economic research since 1960. CRSP's portfolio of historical databases for common stocks, mutual funds, Treasuries, REITs and research indexes is relied on by more than 435 leading academic institutions in 31 countries. It is also widely used for research in the commercial and governmental sectors. For more information, please visit www.crsp.com

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 www.vanguardcanada.ca.

#

All asset figures are as of September 30, 2012, unless otherwise noted.

Units of the Vanguard ETFs are offered only by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be downloaded from www.sedar.com. Investors should read the prospectus before making an investment decision.

Commissions, management fees, and expenses all may be associated with the Vanguard ETFs. ETFs are not guaranteed, their values change frequently, and past performance may not be repeated.

The Vanguard ETFs or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such Vanguard ETFs or securities. The prospectus contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.