



**PRESS RELEASE**

**VANGUARD COMPLETES TRANSITION OF TWO DEVELOPED MARKET ETFs TO FINAL TARGET FTSE INDEXES**

TORONTO (May 31, 2016) - Vanguard Investments Canada Inc., announced today that the TSX-listed Vanguard FTSE Developed All Cap ex U.S. Index ETF (TSX:VDU) and Vanguard FTSE Developed All Cap ex U.S. Index ETF (CAD-hedged) (TSX:VEF) have fully transitioned to the FTSE Developed All Cap ex US Index and FTSE Developed All Cap ex US Hedged to CAD Index, respectively. Both ETFs will begin tracking their target indexes as of June 1, 2016.

Both ETFs tracked the FTSE Developed ex North America Index and FTSE Developed ex North America Hedged CAD Index prior to December. During a transition period that started on December 21, 2015, the ETFs tracked a transition benchmark, the FTSE Developed All Cap ex US Transition Index and FTSE Developed All Cap ex US Hedged to CAD Transition Index.

Vanguard implemented the transition cost-effectively over the past six months with minimal market impact costs while providing transparency to unitholders. As of June 1, 2016, the ETFs will no longer seek to track the interim index and will begin to track their respective target indexes.

| <b>Vanguard ETF®</b>                                           | <b>TSX ticker</b> | <b>Management fee</b> | <b>FTSE Transition index</b>                                | <b>Target index</b>                              |
|----------------------------------------------------------------|-------------------|-----------------------|-------------------------------------------------------------|--------------------------------------------------|
| Vanguard FTSE Developed All Cap ex U.S. Index ETF              | VDU               | 0.20%                 | FTSE Developed All Cap ex US Transition Index               | FTSE Developed All Cap ex US Index               |
| Vanguard FTSE Developed All Cap ex U.S. Index ETF (CAD-hedged) | VEF               | 0.20%                 | FTSE Developed All Cap ex US Hedged to CAD Transition Index | FTSE Developed All Cap ex US Hedged to CAD Index |

The two ETFs will now track broader FTSE benchmarks that include large-, mid-, and small-cap stocks, as well as shares of Canadian companies. Small-cap stocks will represent approximately 10.6% of the fund's destination benchmark, with 8.3% exposure to Canada. This offers more complete market-cap weightings, additional diversification and greater risk-management with more companies added to the index.

This transition concludes the [benchmark changes announced by Vanguard Investments Canada in December 2015](#). The changes to VDU and VEF received unitholder approval in September 2015. The changes to VDU and VEF follow similar index changes to the U.S.-listed Vanguard FTSE Developed Markets ETF (NYSE:VEA) in which they invest.

### **About Vanguard**

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc. and manages more than CAD \$7.5 billion 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 USD\$3.5 trillion in global assets, including nearly USD\$500 billion in global ETF assets. Vanguard has offices in the United States, Canada, Europe, Australia and Asia. The firm offers more than 325 funds, including ETFs, to its more than 20 million investors worldwide.

Vanguard operates under a unique operating structure. Unlike firms that are publicly held 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 Vanguard clients. 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](http://vanguardcanada.ca).

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