



PRESS RELEASE

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TWO VANGUARD DEVELOPED MARKETS ETFs TRANSITION TO NEW FTSE INDEXES

As a result, Vanguard will offer developed markets ETFs with and without exposure to Canada

TORONTO (December 20, 2015)— Vanguard Investments Canada Inc., announced that the TSX-listed Vanguard FTSE Developed All Cap ex North America Index ETF (TSX: VDU) and Vanguard FTSE Developed All Cap ex North America Index ETF (CAD-hedged) (TSX: VEF), will begin tracking new FTSE transition indexes as part of a two-phase change to new target indexes. The changes will be effective with the opening of trading on December 21, 2015.

The ETFs will be renamed, but their ticker symbols and management fees will remain unchanged. The following table summarizes the changes.

Vanguard ETF®	New ETF name	TSX ticker	Management fee	Former FTSE benchmark	Transition benchmark	Target benchmark
Vanguard FTSE Developed ex North America Index ETF	Vanguard FTSE Developed All Cap ex U.S. Index ETF	VDU	0.20%	FTSE Developed ex North America Index	FTSE Developed All Cap ex US Transition Index	FTSE Developed All Cap ex US Index
Vanguard FTSE Developed ex North America Index ETF (CAD-hedged)	Vanguard FTSE Developed All Cap ex U.S. Index ETF (CAD hedged)	VEF	0.20%	FTSE Developed ex North America Hedged CAD Index	FTSE Developed All Cap ex US Hedged to CAD Transition Index	FTSE Developed All Cap ex US Hedged to CAD Index

The changes to VDU and VEF follow closely index changes to the U.S.-listed Vanguard FTSE Developed Markets ETF (NYSE: VEA) in which they invest.

In the first phase, the ETFs will track their transition indexes, interim indexes that will gradually increase exposure to small-capitalization stocks and Canadian securities, while proportionately reducing the weightings of other stocks.

Vanguard will manage the transition over the course of approximately six months to minimize trading costs. To provide transparency to shareholders during the transition, FTSE will supply monthly updates of the transition index's composition at ftse.com/vanguard.

At the conclusion of the transition, the ETFs will begin tracking their destination target indexes, broader FTSE benchmarks that includes large-, mid-, and small-cap stocks, as well as shares of Canadian companies. Canada will represent approximately 7.4% of the fund's destination benchmark. Adding small-cap exposure to the funds moves investors closer to market-cap weightings and offers additional diversification.

These transitions come after Vanguard announced the launch earlier this month of two TSX-listed developed market ETFs that exclude both Canada and the U.S.—Vanguard FTSE Developed All Cap ex North America Index ETF (TSX: VIU) and Vanguard FTSE Developed All Cap ex North America Index ETF (CAD-hedged) (TSX: VI).

About Vanguard

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc., and manages more than \$6 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. As of November 30, 2015, Vanguard managed \$3.4 trillion (USD) in global assets, including nearly \$500 billion (USD) in global ETF assets. Vanguard has offices in the United States, Canada, Europe, Australia and Asia. The firm offers 300 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.

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All asset figures are as of November 30, 2015, unless otherwise noted.

Source: Vanguard

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