



**PRESS RELEASE**

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**VANGUARD LAUNCHES SERIES OF 10 TARGET RETIREMENT FUNDS**

TORONTO (March 31, 2016)—Vanguard Investments Canada Inc. today launched Vanguard Target Retirement Funds for qualified institutional investors, including plan sponsors, in Canada. The new series of 10 low-cost, index-based pooled target-date funds gradually and automatically shift to a more conservative asset allocation as the target date draws near.

**Six newly launched low-cost index pooled funds** will make up the underlying investments for the Vanguard Target Retirement Funds. These six new pooled funds will also be available individually to qualified institutional investors. The Target Retirement Funds and index pooled funds are Vanguard Investments Canada Inc’s first investment products specifically designed for Canadian plan sponsors and other institutional clients and continue to broaden out Vanguard’s business in Canada.

“Vanguard Target Retirement Funds offer thoughtfully constructed portfolios that will help investors achieve long-term investment success. The funds provide a prudent, age-appropriate asset allocation in a simple, low-cost investment vehicle,” said Atul Tiwari, managing director of Vanguard Investments Canada Inc.

**Vanguard Target Retirement Fund initial asset allocations**

	2055 Pooled Fund	2050 Pooled Fund	2045 Pooled Fund	2040 Pooled Fund	2035 Pooled Fund	2030 Pooled Fund	2025 Pooled Fund	2020 Pooled Fund	2015 Pooled Fund	Income* Pooled Fund
<b>Stock</b>	90%	90%	90%	89%	81%	74%	66%	58%	48%	30%
<b>Bond</b>	10%	10%	10%	11%	19%	26%	34%	42%	52%	70%

## Vanguard Index Pooled Funds

- **Vanguard Canadian All-Cap Equity Index Pooled Fund**—currently, seeks to track the S&P/TSX Capped Composite Index (or any successor thereto), and invests primarily in large-, mid- and small-capitalization Canadian stocks. Individual constituents are capped at 10% weight.
- **Vanguard U.S. All-Cap Equity Index Pooled Fund**—currently, seeks to track the CRSP US Total Market Index (or any successor thereto), and invests directly or indirectly primarily in stocks of U.S. companies.
- **Vanguard Developed All-Cap ex North America Equity Index Pooled Fund**—currently, seeks to track the FTSE Developed All Cap ex North America Index (or any successor thereto), and invests directly or indirectly primarily in large-, mid- and small capitalization stocks of companies located in developed markets, excluding the U.S. and Canada.
- **Vanguard Emerging Markets All-Cap Equity Index Pooled Fund**—currently, seeks to track the FTSE Emerging Markets All Cap China A Inclusion Index (or any successor thereto). It invests directly or indirectly primarily in stocks of companies located in emerging markets.\*\*
- **Vanguard Canada Universe Bond Index Pooled Fund**—currently, seeks to track the FTSE TMX Canada Universe Bond Index (or any successor thereto). It invests primarily in public, investment-grade, fixed income securities issued in Canada.
- **Vanguard Global ex Canada Fixed Income Index Pooled Fund (CAD-hedged)**—currently, seeks to track the Barclays Global Aggregate ex-CAD Float Adjusted Index (CAD Hedged) (or any successor thereto). It invests directly or indirectly primarily in a wide spectrum of the global investment-grade, fixed rate, fixed income markets outside Canada and uses derivative instruments to seek to hedge the foreign currency exposure of the securities included in the Barclays Global Aggregate ex-CAD Float Adjusted Index to the Canadian dollar.

## A target-date fund leader

The Vanguard Target Retirement Funds' index-based approach offers broad diversification, low costs, market like returns, and transparency. It's the same proven, index-based methodology that underpins Vanguard's popular lineup of Target Retirement Funds in the United States.

The Vanguard Group, Inc. has offered Target Retirement Funds in the U.S. since 2003 and is now the largest manager of U.S. target-date fund assets in the industry, as investors have gravitated to the company's low-cost, index-based approach\*\*\*. The Vanguard Group, Inc. manages nearly US\$358 billion of target-date assets and experienced more than US\$56 billion cash flow into its target date mutual funds and collective trusts in 2015.

## **An indexing pioneer**

The Vanguard Group, Inc. pioneered the first index mutual fund for individual investors in 1976 with the introduction of Vanguard 500 Index Fund in the U.S., and has continually sought and contributed to improvements and innovations in indexing. For instance, in 2003, Vanguard was the first to adopt benchmarks incorporating objective rules, float-adjustment, and overlapping market capitalization buffer zones that are now standard in the mutual fund industry.

More recently, six Vanguard international Canada-domiciled TSX-listed exchange-traded funds (ETFs) transitioned, or are in the process of transitioning, to all-cap indexes as part of changes first [announced](#) by the firm in June 2015. Once the transitions are complete, Vanguard Investments Canada Inc. will offer 13 ETFs with all-cap exposure.

## **Low-cost key to investing success**

Vanguard's U.S. Target Retirement Funds and index funds have among the lowest fees in the industry\*\*\*\*. Management fees for Vanguard Investments Canada Inc.'s new Target Retirement Funds and index pooled funds will be negotiated with each client, but are also expected to be low cost.

Cost is a key pillar in Vanguard's investment philosophy. Vanguard's [Principles for Investing Success](#), outlines four key fundamental tenets: 1) create clear and appropriate goals, 2) develop a suitable asset allocation using broadly diversified funds, 3) minimize cost, and 4) maintain perspective and long-term discipline. Cost is significant because every dollar paid in management fees or trading commissions is simply a dollar less that potentially could be earning return.

## **Vanguard: Continuing to build ETF line-up**

Vanguard Investments Canada Inc. [launched](#) two low-cost developed markets exchange-traded funds (ETFs) in December 2015, bringing to 23 the number of low-cost ETFs offered by the firm.

The Vanguard FTSE Developed All Cap ex North America Index ETF (TSX ticker: VIU) and Vanguard FTSE Developed All Cap ex North America Index ETF (CAD-hedged) (TSX ticker: VI) both have a management fee of 0.20%, among the lowest in the industry\*\*\*\*\*.

## **About Vanguard**

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc. and manages nearly CAD \$7 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\$3.2 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 315 funds, including ETFs, to its more than 20 million investors worldwide.

Vanguard employs 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).

\*Vanguard Target Retirement Income Pooled Fund is designed for those investors currently in retirement.

\*\* The U.S.-domiciled Vanguard Fund that the Vanguard Emerging Markets All-Cap Equity Index Pooled Fund invests in is transitioning from tracking the FTSE Emerging Index to tracking the FTSE Emerging Markets All Cap China A Inclusion Index. As part of this transition process, it is currently tracking the FTSE Emerging Markets All Cap China A Transition Index. This is an interim "dynamic" index that gradually increases exposure to small-capitalization stocks and China A shares while proportionately reducing exposure to other stocks based on their weightings in FTSE Emerging Markets All Cap China A Inclusion Index. Once this transition process is complete, which is expected to be approximately November 2016, the underlying U.S.-domiciled Vanguard Fund will stop tracking the interim index and will begin to track the FTSE Emerging Markets All Cap China A Inclusion Index.

\*\*\*Source: Pensions & Investments, October 5, 2015

\*\*\*\*Source: Morningstar

\*\*\*\*\*Source: Investor Economics

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All asset figures are as of February 29, 2016, unless otherwise noted.

**For informational purposes only. This press release is not being issued in the context of an offering of the Vanguard Target Retirement Funds or any securities described herein, nor is a recommendation to buy, hold or sell, any security, including securities of the Vanguard Target Retirement Funds. The offering of securities of the Vanguard Target Retirement Funds and index pooled funds described in this document, if conducted, will be conducted by means of a private placement of the securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. Investments in the funds will only be permitted once offering documentation has been prepared and has been received and reviewed by prospective investors, and once such investors have had the opportunity to seek investment, legal or other advice. Please see offering memorandum for important information, including information about the investment objectives and strategies of the Vanguard Retirement Funds and index pooled funds and the key risks associated with an investment in the funds.**

**Commissions, management fees, and expenses all may be associated with investments in a Vanguard ETF®. Investment objectives, risks, fees, expenses, and other important information are contained in the prospectus; please read it before investing. ETFs are not guaranteed, their values change frequently, and past performance may not be repeated. Vanguard ETFs® are**

**managed by Vanguard Investments Canada Inc., an indirect wholly-owned subsidiary of The Vanguard Group, Inc., and are available across Canada through registered dealers.**

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