

Important: Investment involves risk, including the loss of principal. Investors should not base investment decisions on this document alone. Investors should refer to the ETF prospectus for further details. The ETFs are traded on the HKEX at market price, which may be different from the net asset value of the ETFs. Past performance is not an indication of future performance.

- The Vanguard S&P 500 Index ETF concentrates its investment in the US securities market which may involve a higher level of risk compared to investing in a more diversified portfolio/strategy and a greater risk of loss than investing in other markets and may result in a higher risk of loss to the ETF. The ETF seeks to track the performance of the S&P 500 Index, before deduction of fees and expenses. It also employs a passively managed, full-replication strategy.
- The Vanguard Total China Index ETF concentrates its investments in Chinese securities, and the PRC market may be more volatile than other markets and may be subject to a higher level of risks compared to investing in a more diversified portfolio/strategy. The ETF seeks to track the performance of FTSE Total China Connect Index, before deduction of fees and expenses. It also employs a passively managed, representative sampling strategy.
- The Vanguard FTSE Developed Europe Index ETF invests in the European securities markets which may involve a greater risk of loss than investing in other markets and may result in a higher risk of loss to the ETF. The ETF seeks to track the performance of the FTSE Developed Europe Index, before deduction of fees and expenses. It also employs a passively managed, representative sampling strategy.
- The Vanguard FTSE Japan Index ETF concentrates its investment in the Japanese securities market which may involve a higher level of risk compared to investing in a more diversified portfolio/strategy and a greater risk of loss than investing in other markets and may result in a higher risk of loss to the ETF. The ETF seeks to track the performance of the FTSE Japan Index, before deduction of fees and expenses. It also employs a passively managed, representative sampling strategy.
- The Vanguard FTSE Asia ex Japan Index ETF invests in securities markets that are considered to be emerging markets which may involve a greater risk of loss than investing in developed markets and may result in a higher risk of loss to the ETF. The ETF seeks to track the performance of the FTSE Asia Pacific ex Japan, Australia and New Zealand Index, before deduction of fees and expenses. It also employs a passively managed, representative sampling strategy.
- The Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF invests in securities markets that are considered to be emerging markets which may involve a greater risk of loss than investing in developed markets. It also invests in high dividend yield securities which may offer a higher rate of dividend yield, but they are subject to risks that the dividend could be reduced or abolished or the risks that the value of the securities could decline or have lower-than-average potential for price appreciation, and there is no guarantee that the constituent securities of the underlying index will declare or pay out dividends. The ETF seeks to track the performance of the FTSE Asia Pacific ex Japan, Australia and New Zealand High Dividend Yield Index, before deduction of fees and expenses. It also employs a passively managed, representative sampling strategy.

Vanguard ETFs: A low-cost way to build a globally diversified portfolio

Vanguard S&P 500 Index ETF (3140)

Vanguard Total China Index ETF (3169)

Vanguard FTSE Developed Europe Index ETF (3101)

Vanguard FTSE Japan Index ETF (3126)

Vanguard FTSE Asia ex Japan Index ETF (2805)

Vanguard FTSE Asia ex Japan High Dividend
Yield Index ETF (3085)



Vanguard[®]

A unique client focus

The Vanguard Group, Inc., was founded in the United States in 1975 with a commitment to serving our clients' interests exclusively. Over the years, we have held firm to that commitment and become one of the largest asset managers in the world.

In 1996 we established our first office outside the United States in Australia. We later expanded into Japan, Europe, Canada and Hong Kong, which we established as our regional headquarters in 2011. In 2014 we opened a representative office in Beijing, and in May of 2017 we opened an office in Shanghai.

What sets us apart

Why have clients from around the world entrusted us with USD 5.3 trillion in assets?¹ The answer lies in our core purpose: To take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

What sets us apart – and enables us to deliver on that promise – is our ownership structure in the United States. Unlike other investment management companies, we do not have public shareholders or private owners expecting dividends. We are owned by our US-domiciled funds, which in turn are owned by their investors. As a result, we have no conflicting loyalties and can stay focused on doing what is best for our clients.

The most tangible benefit to our clients is our low costs. As at 31 December 2017, the ongoing charges for our US-domiciled mutual funds averaged 0.11%, far lower than the industry average of 0.62%.²

As we expand our presence in Asia, we continue to provide high-quality, low-cost products to our clients, with the goal of giving them the best chance for investment success.

Our investment philosophy

Vanguard believes successful investing begins with focusing on what you can control. You cannot control market returns, but you can set clear goals, stay diversified, keep costs low and maintain long-term discipline.

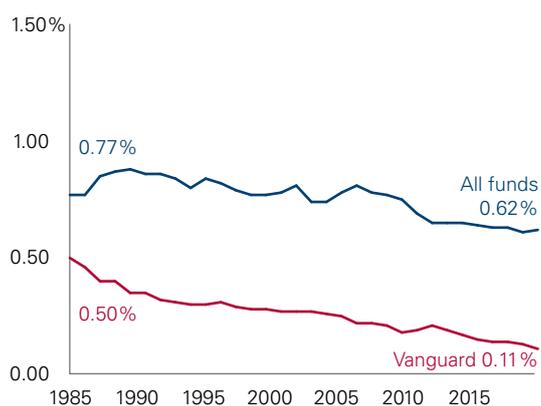
These common sense principles guide the decisions we help our clients make. They also guide the way we manage our funds and ETFs, producing impressive long-term results. For the ten years ending 30 September 2018, 89% of Vanguard US-domiciled funds outperformed their peer group averages.³

An indexing leader

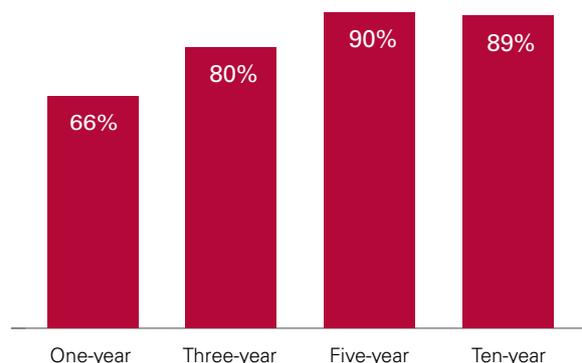
Vanguard is known as a low-cost leader in both passive and actively managed investments. Although we have deep roots in active management, we are best known for introducing the first index fund for individual investors in the United States in 1976, beginning the era of low-cost indexing. Over the last decade, we have extended our indexing expertise to ETFs.

The Vanguard cost advantage

Asset-weighted ongoing charges*



Percentage of all Vanguard funds outperforming the average returns of their peer groups**



* Sources: Vanguard and Morningstar, as at 31 December 2017. Based on US-domiciled funds only. Asset-weighted ongoing charges reflect the average fee that investors pay.

** Source: Lipper, a Thomson Reuters Company. Based on the number of US-domiciled Vanguard funds that outperformed their Lipper peer-group averages for periods ended 30 September 2018.

1 Source: Vanguard, as at 30 September 2018.

2 Sources: Vanguard and Morningstar as at 31 December 2017.

3 Source: Lipper, a Thomson Reuters Company.

Why indexing?

Index investments provide an easy, low-cost way to capture broad market returns simply through buying all (or a representative sample) of the securities in the market index they seek to track. Index funds typically have low management costs because they don't have to employ highly paid teams to analyse and select securities. They also tend to have low transaction costs, because they hold securities until the index itself changes.

Due mostly to their low costs, index investments have generally outperformed higher-cost investments over time.⁴ In addition to low costs and a potential performance edge, index investments offer diversification, holdings transparency, and the ability to gain consistent exposure to specific market segments.

ETFs: Another way to index

ETFs have become popular for features that traditional index funds don't offer. Like index funds, ETFs offer the benefits of low costs and diversification. But ETFs have the added flexibility of trading on a stock exchange. Like individual stocks, they can be bought and sold through an adviser or a brokerage account at market-determined prices, whenever the exchange is open.

Vanguard ETFs™ offer low-cost access to global equity markets

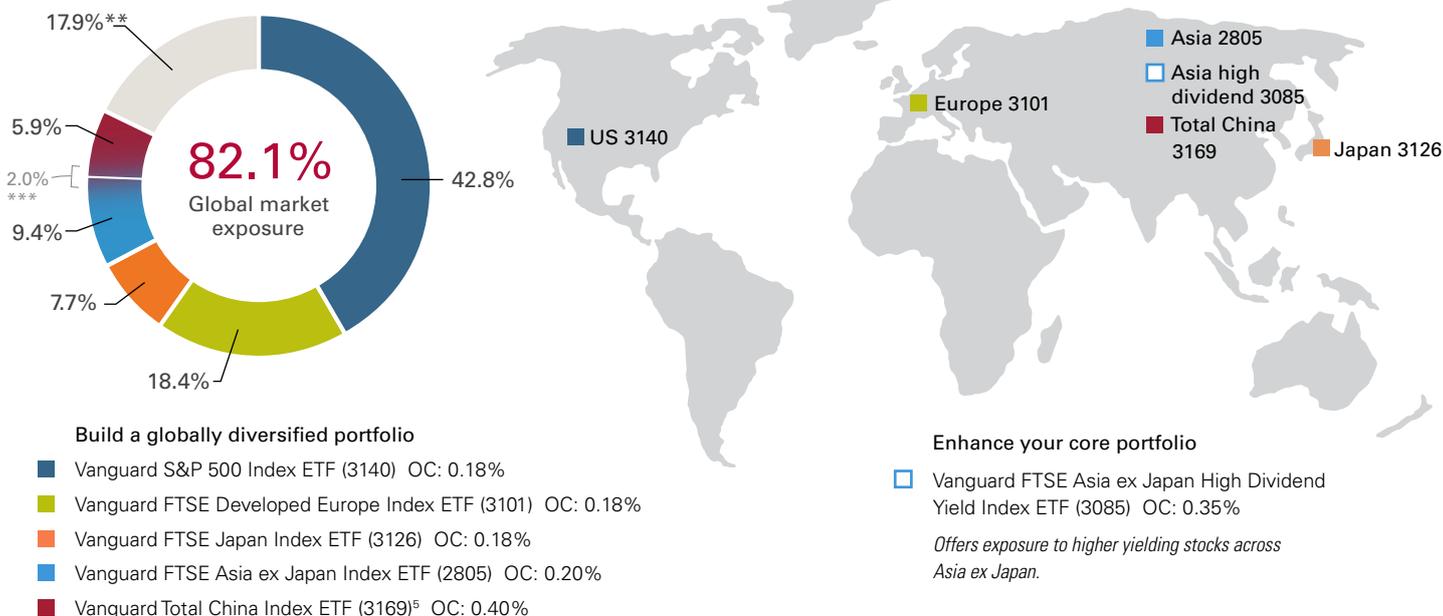
Vanguard low-cost ETFs make ideal building blocks for a well-diversified portfolio, giving you broad access to the world's total equity market capitalisation. And Vanguard's low costs mean you keep more of your returns – a benefit that can compound in your favour over time. All else being equal, lower-cost investments provide greater net returns than higher-cost investments.

With just five Vanguard ETFs, you can assemble a globally diversified portfolio covering broad equity markets in Asia, Europe and the United States. You can also enhance your core portfolio with a dividend-oriented strategy through our Asia ex Japan High Dividend Yield Index ETF.

In addition to offering low-cost access to global equity markets, our Hong Kong-domiciled ETFs are now available in US dollars (USD) and Renminbi (RMB), along with the original trading currency of Hong Kong dollars (HKD). With these three trading counters available, investors can now retain their currency exposure while investing in our portfolio-building ETFs, offering them more trading flexibility.

Vanguard ETFs: Low-cost access to over 80% of global equity markets

Portion of global market capitalisation covered by Vanguard Hong Kong-domiciled ETFs*



* Source: Vanguard calculations using index data from FTSE and S&P as at 31 March 2018.

**Remainder of global equity markets.

*** Exposure overlap between FTSE Asia ex Japan Index and Total China Connect Index (not included in global market exposure).

Note: OC represents ongoing charges. Stock codes shown are for HKD. For details, please see ETF information starting on page 5.

⁴ Source: *The case for low-cost index-fund investing*, Vanguard, 2016.

About the S&P 500

Introduced in 1957 by Standard & Poor's (S&P), the S&P 500 has become a widely recognised proxy for the US equity market. Globally, there is over USD 9.9 trillion benchmarked to the S&P 500, with indexed assets comprising approximately USD 3.4 trillion of this total.⁵

Index methodology

The S&P 500 is float-adjusted and market-cap weighted, which means it only includes shares that are available in the open market and the index constituents are weighted according to market capitalisation. So the influence of each constituent stock on the index performance is proportional to its market value.

To be eligible for inclusion in the index, each constituent should meet the following criteria:

- US-based companies
- Market capitalisation of USD 6.1 billion or greater
- At least 50% of shares outstanding must be available for trading on the open market
- Four consecutive quarters of positive earnings
- Highly tradeable common stocks, with active and deep markets

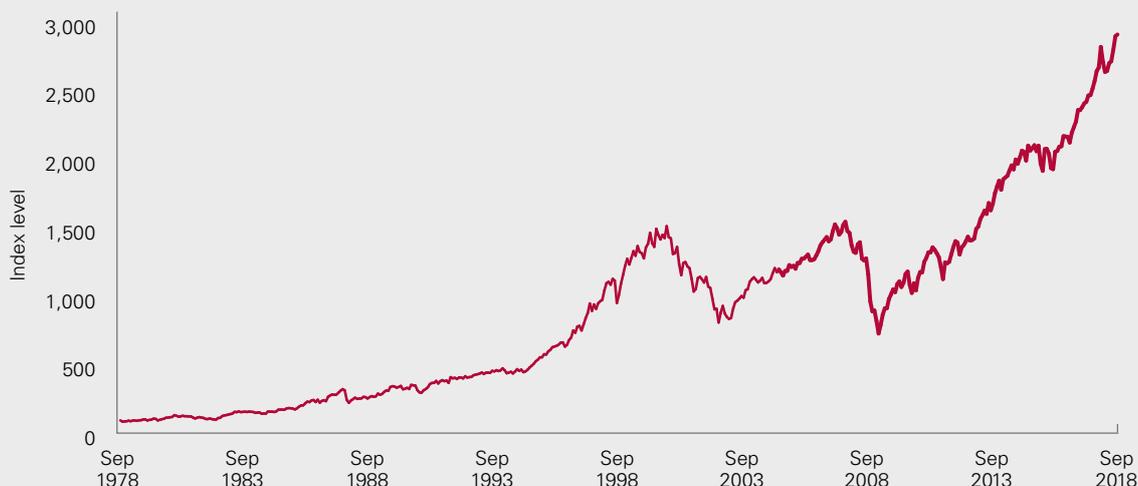
The index is rebalanced quarterly, after the market close on the third Friday of the quarter-ending month.

Index characteristics

The S&P 500 includes 500 leading companies in leading industries of the US economy. Focusing on the large-cap segment of the market, the index covers approximately 80% of available US market capitalisation.

- Diversified across 11 sectors, with information technology, the largest sector, accounting for 21.0% of the index.⁵
- Strong stock diversification. The 10 largest stocks represent 21.9% of the index and the largest stock, Apple Inc., has a weight of just 4.2%.⁵
- The index members are highly liquid.

S&P 500 performance in the past 40 years



Source: FactSet, as at 30 September 2018.

The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the index. The historical performance of the index is for illustrative purposes only. The historical performance of the index is not meant to forecast, imply or guarantee the future performance of the fund. Index performance does not reflect tracking error, charges and expenses associated with the fund, or brokerage commission associated with buying and selling the fund.

⁵ Source: S&P, as at 30 September 2018.

Vanguard S&P 500 Index ETF

(HKD: 3140 / RMB: 83140 / USD: 9140)

Product highlights

- Employs a passively managed, full replication strategy to gain exposure to large-cap US equities.
- The first and the only Hong Kong-listed ETF that tracks the S&P 500 Index.⁶
- OC as low as 0.18%, the lowest in its category of ETFs on the Hong Kong Stock Exchange.⁷

Key fund facts

Stock code	3140 (HKD); 83140 (RMB); 9140 (USD)
Benchmark	S&P 500 Index
Ongoing charges (per annum)	0.18% ⁷
Base currency	HKD
Trading currency	HKD, RMB, USD
Listing date (HKD)	21 May 2015

Fund characteristics⁸

Number of stocks	505
Median market cap (HKD)	890.2B
Equity yield (dividend)	1.8%
Number of sectors	11

Fund top 10 holdings⁸

Apple Inc.	4.2%
Microsoft Corp.	3.6%
Amazon.com Inc.	3.3%
Alphabet Inc.	3.0%
Berkshire Hathaway Inc.	1.7%
Facebook Inc.	1.6%
JPMorgan Chase & Co.	1.5%
Johnson & Johnson	1.5%
Exxon Mobil Corp.	1.5%
Bank of America Corp.	1.1%
Total	23.0%

Fund sector diversification⁸

Information Technology	21.0%
Health Care	15.0%
Financials	13.3%
Consumer Discretionary	10.3%
Telecommunication Services	10.0%
Industrials	9.7%
Consumer Staples	6.7%
Energy	6.0%
Utilities	2.8%
Real Estate	2.7%
Materials	2.5%
Total	100.0%

Performance history

Total returns for period ending 30 September 2018

	3 months [†]	Year to date [†]	1 year ^{††}	3 years ^{††}	5 years ^{††}	Since inception [‡]
Fund	7.19%	10.04%	17.21%	16.69%	—	11.42%
Benchmark*	7.27%	10.20%	17.44%	16.96%	—	11.67%

Calendar-year returns

	2013	2014	2015 ^{‡‡}	2016	2017
Fund	—	—	-3.25%	10.99%	21.83%
Benchmark*	—	—	-3.11%	11.27%	22.11%

[†] Cumulative monthly return.

^{††} Annualised return.

[‡] Annualised return since fund inception on 18 May 2015.

^{‡‡} Calendar-year return since fund inception on 18 May 2015.

* Benchmark performance is based on the S&P 500 Index (HKD) which was inceptioned in January 2013. It is calculated in HKD based on total return and net of tax basis.

Fund performance is calculated on NAV to NAV basis in base currency and assumes reinvestment.

The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the Benchmark. The historical performance of the Benchmark is for illustrative purposes only. The historical performance of the Benchmark is not meant to forecast, imply or guarantee the future performance of the Fund. Benchmark performance does not reflect tracking error, charges and expenses associated with the Fund, or brokerage commission associated with buying and selling the Fund.

⁶ Source: Morningstar, as at 30 September 2018.

⁷ As at 30 September 2018. Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the fund.

⁸ Source: Vanguard, as at 30 September 2018. Discrepancies due to rounding.

About the FTSE indices

FTSE Group (“FTSE”) calculates and manages a comprehensive range of equity, fixed income, real estate and investment strategy indices, on both a standard and custom basis. The FTSE Global Equity Index Series forms the foundation of FTSE’s global, regional, country and sector indices. It covers around 7,850 securities in 48 different countries, covering every equity and sector relevant to international investors’ needs.

Index methodology

FTSE uses transparent rules in determining inclusion in its indices. Committees periodically review the indices to ensure they remain objective and accurately reflect their target markets. Stocks are screened for liquidity and adjusted for free float, so benchmarks reflect the shares available in the open market.

Index characteristics

The FTSE indices that our Hong Kong-domiciled ETFs track are primarily market-cap weighted. Below is a closer look at the characteristics of the five FTSE indices.

Benchmark of 2805 versus 3085

Both FTSE indices provide exposure to the Asia ex Japan equity markets. The key difference is that the 2805 benchmark weights its stocks in proportion to market capitalisation, whereas the 3085 benchmark tilts towards higher dividend yielding stocks, hence complementing the Asia ex Japan exposure with additional dividend income.

Benchmark of 3169

The FTSE Total China Connect Index provides exposure to all major Chinese share classes, including A-shares, B-shares, H-shares, red chips, P-chips, S-chips and N-shares. An all-in-one Chinese equity portfolio could help minimise return cyclicity and enhance an investor’s return relative to the amount of risk they take on. In addition, the index offers more balanced sector exposure compared to other major Chinese equity indices, which are highly concentrated in financials.

A closer look at five FTSE indices

Index name	FTSE Total China Connect Index	FTSE Developed Europe Index	FTSE Japan Index	FTSE Asia Pacific ex Japan, Australia and New Zealand Index	FTSE Asia Pacific ex Japan, Australia and New Zealand High Dividend Yield Index
Vanguard ETF (stock code)	3169	3101	3126	2805	3085
Index characteristics					
Number of markets	1	16	1	11	11
Number of stocks	1123	595	520	901	337
Number of sectors	10	10	10	10	9
Median market cap	RMB 220.2 B	HKD 339.3	HKD 166.3 B	HKD 202.2 B	HKD 205.5 B
Equity yield (dividend)	2.3%	3.4%	2.1%	2.6%	4.2%

Note: Stock codes shown are for HKD.
Source: FTSE, as at 30 September 2018

Vanguard Total China Index ETF

(HKD: 3169 / RMB: 83169 / USD: 9169)

Product highlights

- Employs a passively managed, representative sampling strategy to gain exposure to Chinese equity securities listed in or outside China.
- Offers diversified exposure to all major Chinese equity share classes and industry sectors.
- OC as low as 0.40%.⁹

Key fund facts

Stock code	3169 (HKD); 83169 (RMB); 9169 (USD)
Benchmark	FTSE Total China Connect Index
Ongoing charges (per annum)	0.40% ⁹
Base currency	RMB
Trading currency	HKD, RMB, USD
Listing date	10 May 2018

Fund characteristics¹⁰

Number of stocks	904
Median market cap (RMB)	215.97B
Equity yield (dividend)	2.3%
Number of sectors	10

Fund top 10 holdings¹⁰

Tencent Holdings Ltd.	8.9%
Alibaba Group Holding Ltd.	6.8%
Ping An Insurance Group Co. of China Ltd.	3.2%
China Construction Bank Corp.	3.1%
Industrial & Commercial Bank of China Ltd.	2.9%
Baidu Inc.	2.4%
China Mobile Ltd.	2.0%
Bank of China Ltd.	1.7%
China Merchants Bank Co. Ltd.	1.6%
Kweichow Moutai Co. Ltd.	1.5%
Total	34.1%

Fund sector diversification¹⁰

Financials	29.0%
Technology	16.3%
Consumer Services	12.2%
Industrials	11.8%
Consumer Goods	10.5%
Basic Materials	5.3%
Health Care	5.0%
Oil & Gas	4.5%
Telecommunications	2.8%
Utilities	2.6%
Total	100.0%

Performance history*

Total returns for period ending 30 September 2018

	3 monthst†	Year to datet†	1 year††	3 years††	5 years††	Since inception‡
Fund	—	—	—	—	—	—
Benchmark	—	—	—	—	—	-5.80%

Calendar-year returns*

	2013	2014	2015	2016	2017
Fund	—	—	—	—	—
Benchmark	—	—	—	—	—

† Cumulative monthly return.

†† Annualised return.

‡ Return since fund inception on 4 May 2018.

Fund performance is calculated on NAV to NAV basis in base currency and assumes dividend reinvestment.

Index performance is calculated in RMB based on total return and net of tax basis. The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the Benchmark. The historical performance of the Benchmark is for illustrative purposes only. The historical performance of the Benchmark is not meant to forecast, imply or guarantee the future performance of the Fund. Benchmark performance does not reflect tracking error, charges and expenses associated with the Fund, or brokerage commission associated with buying and selling the Fund.

* According to the regulatory requirements, performance of the Fund will be shown 6 months after inception. Performance of the Benchmark is for reference only and does not represent performance of the Fund.

⁹ As at 30 September 2018. Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the fund.

¹⁰ Source: Vanguard, as at 30 September 2018. Discrepancies due to rounding.

Vanguard FTSE Developed Europe Index ETF

(HKD: 3101 / RMB: 83101 / USD: 9101)

Product highlights

- Employs a passively managed, representative sampling strategy to gain exposure to the broad equity markets of developed European countries.
- The first Europe equity ETF listed on the Hong Kong Stock Exchange.¹¹
- OC as low as 0.18%, the lowest in its category of ETFs on the Hong Kong Stock Exchange.¹²

Key fund facts

Stock code	3101 (HKD); 83101 (RMB); 9101 (USD)
Benchmark	FTSE Developed Europe Index
Ongoing charges (per annum)	0.18% ¹²
Base currency	HKD
Trading currency	HKD, RMB, USD
Listing date (HKD)	13 June 2014

Fund characteristics¹³

Number of stocks	590
Median market cap (HKD)	339.33B
Equity yield (dividend)	3.4%
Number of markets	16
Number of sectors	10

Fund top 10 holdings¹³

Royal Dutch Shell plc	3.1%
Nestle SA	2.7%
Novartis AG	2.0%
HSBC Holdings plc	1.9%
Roche Holding AG	1.8%
TOTAL SA	1.7%
BP plc	1.6%
Unilever	1.5%
SAP SE	1.3%
British American Tobacco plc	1.1%
Total	18.7%

Fund market diversification¹³

United Kingdom	28.6%
France	16.6%
Germany	14.7%
Switzerland	12.8%
Netherlands	5.3%
Spain	4.7%
Sweden	4.6%
Italy	3.9%
Denmark	2.6%
Finland	1.7%
Total (Top 10 markets)	95.5%

Fund sector diversification¹³

Financials	21.3%
Consumer Goods	17.8%
Industrials	14.0%
Health Care	13.2%
Oil & Gas	8.6%
Basic Materials	7.1%
Consumer Services	6.6%
Technology	4.8%
Utilities	3.6%
Telecommunications	3.0%
Total	100.0%

Performance history

Total returns for period ending 30 September 2018

	3 months†	Year to date†	1 year††	3 years††	5 years††	Since inception‡
Fund	0.50%	-2.38%	-0.06%	8.11%	—	1.31%
Benchmark	0.52%	-2.32%	0.09%	8.14%	—	1.36%

Calendar-year returns

	2013	2014‡‡	2015	2016	2017
Fund	—	-11.91%	-2.59%	-0.42%	26.79%
Benchmark	—	-11.80%	-2.50%	-0.49%	26.83%

† Cumulative monthly return.

†† Annualised return.

‡ Annualised return since fund inception on 10 June 2014.

‡‡ Calendar-year return since fund inception on 10 June 2014.

Fund performance is calculated on NAV to NAV basis in base currency and assumes dividend reinvestment.

Index performance is calculated in HKD based on total return and net of tax basis. The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the Benchmark. The historical performance of the Benchmark is for illustrative purposes only. The historical performance of the Benchmark is not meant to forecast, imply or guarantee the future performance of the Fund. Benchmark performance does not reflect tracking error, charges and expenses associated with the Fund, or brokerage commission associated with buying and selling the Fund.

¹¹ Source: Morningstar, as at 30 September 2018.

¹² As at 30 September 2018. Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the fund.

¹³ Source: Vanguard, as at 30 September 2018. Discrepancies due to rounding.

Vanguard FTSE Japan Index ETF

(HKD: 3126 / RMB: 83126 / USD: 9126)

Product highlights

- Employs a passively managed, representative sampling strategy to gain exposure to the broad equity market in Japan.
- The first physical, market-cap-weighted Japan equity ETF listed on the Hong Kong Stock Exchange.¹⁴
- OC as low as 0.18%, the lowest in its category of ETFs on the Hong Kong Stock Exchange.¹⁵

Key fund facts

Stock code	3126 (HKD); 83126 (RMB); 9126 (USD)
Benchmark	FTSE Japan Index
Ongoing charges (per annum)	0.18% ¹⁵
Base currency	HKD
Trading currency	HKD, RMB, USD
Listing date (HKD)	13 June 2014

Fund characteristics¹⁶

Number of stocks	520
Median market cap (HKD)	166.30B
Equity yield (dividend)	2.1%
Number of sectors	10

Fund top 10 holdings¹⁶

Toyota Motor Corp.	3.9%
SoftBank Group Corp.	2.1%
Mitsubishi UFJ Financial Group Inc.	2.0%
Sony Corp.	1.9%
Sumitomo Mitsui Financial Group Inc.	1.3%
Honda Motor Co. Ltd.	1.3%
Keyence Corp.	1.3%
KDDI Corp.	1.2%
Mizuho Financial Group Inc.	1.1%
Recruit Holdings Co. Ltd.	1.0%
Total	17.1%

Fund sector diversification¹⁶

Consumer Goods	24.1%	
Industrials	22.5%	
Financials	14.4%	
Consumer Services	11.0%	
Health Care	8.3%	
Basic Materials	6.2%	
Telecommunications	5.2%	
Technology	5.1%	
Utilities	1.9%	
Oil & Gas	1.3%	
Total	100.0%	

Performance history

Total returns for period ending 30 September 2018

	3 months [†]	Year to date [†]	1 year ^{††}	3 years ^{††}	5 years ^{††}	Since inception [‡]
Fund	3.29%	1.56%	10.46%	12.72%	—	8.70%
Benchmark	3.28%	1.52%	10.53%	12.78%	—	8.79%

Calendar-year returns

	2013	2014 ^{‡‡}	2015	2016	2017
Fund	—	-1.09%	10.59%	2.43%	25.88%
Benchmark	—	-1.00%	10.76%	2.54%	25.92%

[†] Cumulative monthly return.

^{††} Annualised return.

[‡] Annualised return since fund inception on 10 June 2014.

^{‡‡} Calendar-year return since fund inception on 10 June 2014.

Fund performance is calculated on NAV to NAV basis in base currency and assumes dividend reinvestment.

Index performance is calculated in HKD based on total return and net of tax basis. The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the Benchmark. The historical performance of the Benchmark is for illustrative purposes only. The historical performance of the Benchmark is not meant to forecast, imply or guarantee the future performance of the Fund. Benchmark performance does not reflect tracking error, charges and expenses associated with the Fund, or brokerage commission associated with buying and selling the Fund.

¹⁴ Source: Morningstar, as at 30 September 2018.

¹⁵ As at 30 September 2018. Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the fund.

¹⁶ Source: Vanguard, as at 30 September 2018. Discrepancies due to rounding.

Vanguard FTSE Asia ex Japan Index ETF

(HKD: 2805 / RMB: 82805 / USD: 9805)

Product highlights

- Employs a passively managed, representative sampling strategy to gain exposure to developed and emerging equity markets across Asia, excluding Japan.
- OC as low as 0.20%, the lowest in its category of ETFs on the Hong Kong Stock Exchange.¹⁷

Key fund facts

Stock code	2805 (HKD); 82805 (RMB); 9805 (USD)
Benchmark	FTSE Asia Pacific ex Japan, Australia and New Zealand Index
Ongoing charges (per annum)	0.20% ¹⁷
Base currency	HKD
Trading currency	HKD, RMB, USD
Listing date (HKD)	15 May 2013

Fund characteristics¹⁸

Number of stocks	860
Median market cap (HKD)	214.30B
Equity yield (dividend)	2.6%
Number of markets	11
Number of sectors	10

Fund top 10 holdings¹⁸

Tencent Holdings Ltd.	5.1%
Samsung Electronics Co. Ltd.	4.9%
Taiwan Semiconductor Manufacturing Co. Ltd.	4.5%
Alibaba Group Holding Ltd.	3.9%
AlA Group Ltd.	2.3%
China Construction Bank Corp.	1.7%
Baidu Inc.	1.4%
Industrial & Commercial Bank of China Ltd.	1.2%
Reliance Industries Ltd.	1.2%
China Mobile Ltd.	1.1%
Total	27.3%

Fund market diversification¹⁸

China	33.0%	
Korea	16.2%	
Taiwan	13.7%	
Hong Kong	12.2%	
India	10.7%	
Singapore	4.0%	
Thailand	3.7%	
Malaysia	3.1%	
Indonesia	2.1%	
Philippines	1.2%	
Total	100%	

Fund sector diversification¹⁸

Financials	29.2%	
Technology	22.8%	
Industrials	9.8%	
Consumer Goods	9.3%	
Consumer Services	9.3%	
Oil & Gas	5.4%	
Basic Materials	4.6%	
Telecommunications	3.7%	
Health Care	3.0%	
Utilities	2.9%	
Total	100%	

Performance history

Total returns for period ending 30 September 2018

	3 months [†]	Year to date [†]	1 year ^{††}	3 years ^{††}	5 years ^{††}	Since inception [‡]
Fund	-1.53%	-6.63%	1.42%	12.71%	6.36%	4.98%
Benchmark	-1.50%	-6.54%	1.71%	13.08%	6.66%	5.47%

Calendar-year returns

	2013 ^{‡‡}	2014	2015	2016	2017
Fund	-1.47%	5.20%	-9.06%	5.81%	39.57%
Benchmark	-0.28%	5.50%	-8.89%	6.27%	39.96%

[†] Cumulative monthly return.

^{††} Annualised return.

[‡] Annualised return since fund inception on 10 May 2013.

^{‡‡} Calendar-year return since fund inception on 10 May 2013.

Fund performance is calculated on NAV to NAV basis in base currency and assumes dividend reinvestment.

Index performance is calculated in HKD based on total return and net of tax basis. The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the Benchmark. The historical performance of the Benchmark is for illustrative purposes only. The historical performance of the Benchmark is not meant to forecast, imply or guarantee the future performance of the Fund. Benchmark performance does not reflect tracking error, charges and expenses associated with the Fund, or brokerage commission associated with buying and selling the Fund.

¹⁷ As at 30 September 2018. Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the fund.

¹⁸ Source: Vanguard, as at 30 September 2018. Discrepancies due to rounding.

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF

(HKD: 3085 / RMB: 83085 / USD: 9085)

Product highlights

- Employs a passively managed, representative sampling strategy to gain exposure to stocks that are characterised by higher-than-average dividend yields in emerging and developed equity markets across Asia, excluding Japan.
- The first physical Asia ex Japan equity high dividend yield ETF listed on the Hong Kong Stock Exchange.¹⁹
- OC as low as 0.35%, the lowest in its category of ETFs on the Hong Kong Stock Exchange.²⁰

Key fund facts

Stock code	3085 (HKD); 83085 (RMB); 9085 (USD)
Benchmark	FTSE Asia Pacific ex Japan, Australia and New Zealand High Dividend Yield Index
Ongoing charges (per annum)	0.35% ²⁰
Base currency	HKD
Trading currency	HKD, RMB, USD
Listing date (HKD)	13 June 2014

Fund characteristics²¹

Number of stocks	341
Median market cap (HKD)	205.52B
Equity yield (dividend)	4.2%
Number of markets	11
Number of sectors	9

Fund top 10 holdings²¹

Taiwan Semiconductor Manufacturing Co. Ltd.	10.4%
China Construction Bank Corp.	3.9%
Industrial & Commercial Bank of China Ltd.	2.9%
China Mobile Ltd.	2.6%
Hon Hai Precision Industry Co. Ltd.	1.9%
DBS Group Holdings Ltd.	1.7%
Bank of China Ltd.	1.7%
CNOOC Ltd.	1.6%
CK Hutchison Holdings Ltd.	1.6%
Samsung Electronics Co. Ltd.	1.4%
Total	29.7%

Fund market diversification²¹

China	30.0%
Taiwan	27.9%
Hong Kong	12.8%
Korea	8.2%
Singapore	8.0%
Thailand	4.9%
Malaysia	4.2%
India	2.0%
Indonesia	1.4%
Philippines	0.4%
Total (Top 10 markets)	99.8%

Fund sector diversification²¹

Financials	40.1%
Technology	16.1%
Industrials	9.9%
Oil & Gas	8.3%
Telecommunications	7.5%
Consumer Goods	6.0%
Basic Materials	5.2%
Utilities	4.8%
Consumer Services	2.1%
Total	100.0%

Performance history

Total returns for period ending 30 September 2018

	3 months†	Year to date†	1 year††	3 years††	5 years††	Since inception‡
Fund	4.31%	-0.32%	5.67%	13.34%	—	5.71%
Benchmark	4.42%	0.00%	6.19%	13.97%	—	6.12%

Calendar-year returns

	2013	2014‡‡	2015	2016	2017
Fund	—	2.03%‡	-12.40%	9.46%	30.24%
Benchmark	—	1.85%	-12.09%	10.14%	30.97%

† Cumulative monthly return.

†† Annualised return.

‡ Annualised return since fund inception on 10 June 2014.

‡‡ Calendar-year return since fund inception on 10 June 2014.

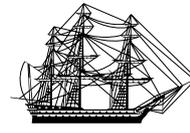
Fund performance is calculated on NAV to NAV basis in base currency and assumes dividend reinvestment.

Index performance is calculated in HKD based on total return and net of tax basis. The performance of an index is not an exact representation of any particular investment as you cannot invest directly in the Benchmark. The historical performance of the Benchmark is for illustrative purposes only. The historical performance of the Benchmark is not meant to forecast, imply or guarantee the future performance of the Fund. Benchmark performance does not reflect tracking error, charges and expenses associated with the Fund, or brokerage commission associated with buying and selling the Fund.

¹⁹ Source: Morningstar, as at 30 September 2018.

²⁰ As at 30 September 2018. Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the fund.

²¹ Source: Vanguard, as at 30 September 2018. Discrepancies due to rounding.



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