



**VANGUARD ETF SERIES**  
(the "TRUST")

*A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap.571) of Hong Kong comprising:*

**VANGUARD FTSE ASIA EX JAPAN INDEX ETF**  
Stock code: 2805 – HKD counter  
Stock code: 82805 – RMB counter  
Stock code: 9805 – USD counter

**VANGUARD FTSE DEVELOPED EUROPE INDEX ETF**  
Stock code: 3101 – HKD counter  
Stock code: 83101 – RMB counter  
Stock code: 9101 – USD counter

**VANGUARD FTSE JAPAN INDEX ETF**  
Stock code: 3126 – HKD counter  
Stock code: 83126 – RMB counter  
Stock code: 9126 – USD counter

**VANGUARD FTSE ASIA EX JAPAN HIGH DIVIDEND YIELD INDEX ETF**  
Stock code: 3085 – HKD counter  
Stock code: 83085 – RMB counter  
Stock code: 9085 – USD counter

**VANGUARD S&P 500 INDEX ETF**  
Stock code: 3140 – HKD counter  
Stock code: 83140 – RMB counter  
Stock code: 9140 – USD counter

**VANGUARD TOTAL CHINA INDEX ETF**  
Stock code: 83169 – RMB counter  
Stock code: 3169 – HKD counter  
Stock code: 9169 – USD counter

(together, the "Sub-Funds")

**NOTICE TO UNITHOLDERS**

***Important***

*The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and the Securities and Futures Commission (the "SFC") take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*

***This notice is important and requires your immediate attention.***

*If you are in doubt about the contents of this document, you should seek independent professional financial advice. SFC authorisation is not a recommendation or endorsement of the Trust or the Sub-Funds nor does it guarantee the commercial merits of the Trust or the Sub-Funds or their performance. It does not mean the Trust or any Sub-Fund is suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.*

*All capitalized terms used in this document have the same meaning as in the prospectus of the Trust dated 10 December 2019 (the "Prospectus"), unless otherwise defined herein. The Manager accepts full responsibility for the accuracy of the information contained in this document and confirms that, having made all reasonable enquiries, to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this document misleading as at the date of publication of this document.*

Dear Unitholders

We are writing to inform you of the following changes which will take immediate effect (unless otherwise specified):

**Amendments to the offering documents and trust deed of the Trust and each of the Sub-Funds; and minor updates to the operational guidelines between the Manager and the relevant Participating Dealer of each Sub-Fund**

**1 Updates to the recipients of applications for the creation and requests for redemption of Units**

The Manager and the Trustee has agreed that operationally, either the Registrar or the Manager may be the recipient of applications for the creation and requests for redemption of Units from Participating Dealers. Accordingly, the trust deed of the Trust has been updated by way of Supplemental Deed dated 29 April 2020 ("**Trust Deed**") to expressly provide for this expanded scope of services by the Manager to receive applications for creation and requests for redemption of Units.

The Prospectus has also been updated to reflect any consequential changes made to the Trust Deed.

The Manager does not consider such change to materially affect the existing obligation of the Manager and the Trustee, the investment methodology or the overall operation of the Sub-Funds.

**2 Updates to the procedures for creation and requests for redemption of Units**

The Manager has granted the Investment Advisor authority to accept or reject creation and redemption orders submitted by the Participating Dealers for each of the Sub-Funds. This means that from the date of this notice, the Investment Advisor may also accept or reject orders on behalf of the Manager.

The Prospectus has been updated to reflect this granting of authority to the Investment Advisor.

The Manager does not consider such change to materially affect the existing obligation of the Manager, the overall operation of the Sub-Funds or cause any impact to the Unitholders of the Trust and each of the Sub-Funds, given such change only affects the primary market orders and has no impact on the secondary market orders from retail investors.

**3 Updates to the Directors of the Manager**

Mr. Xiaodong Lin has ceased to be a director of the Manager with effect from 30 December 2019.

The Prospectus has been updated accordingly.

**4 Enhanced risk disclosures in relation to risks associated with the indices**

The Prospectus has been updated to provide additional risk factors to include risks associated with the compilation of the Underlying Indices of the Sub-Funds, as well as any ad-hoc unscheduled rebalancing measures to correct any errors made by the Index Provider from time to time.

## **5 Annual updates**

The Prospectus and the KFS for each Sub-Fund have been revised to reflect the updated index information relating to the Underlying Indices of the Sub-Funds as at 6 April 2020.

The KFS of each Sub-Fund has been further revised to reflect the updated ongoing charges, tracking difference and past performance information for each Sub-Fund.

## **6 Clarification amendments to the offering documents to better align with the investment restrictions and index tracking ETF provisions under the SFC's Code on Unit Trusts and Mutual Fund ("UT Code")**

The sub-sections headed "Investment Restrictions" and "Financial Derivative Instruments" in the Prospectus have been revised with minor amendments to further align with the language in Chapter 7.29 of the UT Code (e.g. amendments to include the terminology "at all times"), as well as rectification of any cross-referencing errors.

In addition, the sub-sections headed "Communication with Unitholders" in the Prospectus has been revised with minor amendments to further align with the language in Chapter 8.6(u) of the UT Code (e.g. amendments from the terminology "estimated" Net Asset Value to "indicative" Net Asset Value). The KFS for each of the Sub-Funds has also been revised to reflect the corresponding changes made to the Prospectus.

Hard copies of the Prospectus and each KFS for the Sub-Funds, the Trust Deed and all supplemental deeds are available for inspection at the Manager's office located at 48/F, The Center, 99 Queen's Road Central, Hong Kong (telephone number: +852 3409 8333) during normal office hours (Monday to Friday (excluding public holidays), from 9:00a.m. to 5:30p.m.).

If you have any queries or concerns regarding the above change, please direct them to your financial adviser or contact the Manager at the address or telephone number mentioned above.

**Vanguard Investments Hong Kong Limited**

**30 April 2020**