

The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited, Hong Kong Exchanges and Clearing Limited and the Securities and Futures Commission (the “SFC”), take no responsibility for the contents of this Announcement, 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 Announcement. SFC authorisation is not a recommendation or an endorsement of the Trust (as defined below) and the Sub-Funds (as defined below) nor does it guarantee the commercial merits of the Trust and the Sub-Funds or their performance. It does not mean the Trust and the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

Further to the Announcement and Notice dated 31 March 2021 and titled “*Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Non-Applicability of Certain Provisions of the Code on Unit Trusts and Mutual Funds*” (the “**First Announcement**”), this Announcement is to inform Relevant Investors of the Cash Proceeds Distribution and Cash Proceeds Distribution per Unit of each Sub-Fund (as defined below) as follows:

Sub-Fund	Cash Proceeds Distribution	Cash Proceeds Distribution per Unit
Vanguard FTSE Developed Europe Index ETF	HKD229,196,000.00	HKD22.9196
Vanguard FTSE Japan Index ETF	HKD88,606,020.00	HKD30.5538
Vanguard S&P 500 Index ETF	HKD739,642,640.00	HKD29.8243

The Cash Proceeds Distribution for each Sub-Fund will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held Units on 14 May 2021 (i.e. the Final Record Date). It is expected that the Relevant Investors will receive the Cash Proceeds Distribution on or around 9 June 2021, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should therefore contact their stockbrokers or financial intermediaries in relation to the payment of the Cash Proceeds Distribution from them.

Please note that no Further Cash Proceeds Distribution (as disclosed in the First Announcement) will be required with respect to the Sub-Funds because the Manager will distribute all of each Sub-Fund’s assets through the Cash Proceeds Distribution.

Shortly before the Final Termination Date, the Manager will issue an announcement informing investors about the Final Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds from the SEHK, in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will also issue an announcement to inform the Relevant Investors of the revised dates.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the Sub-Funds, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment of the relevant Cash Proceeds Distribution from them. Investors should exercise caution and consult with their professional and financial advisers before deciding on the course of actions to be taken in relation to their Units.

Vanguard ETF Series (the “Trust”)

(A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong) (“SFO”)

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 S&P 500 Index ETF

(Stock code: 3140 – HKD counter)
(Stock code: 83140 – RMB counter)
(Stock code: 9140 – USD counter)

(each a “Sub-Fund”, together the “Sub-Funds”)

**CASH PROCEEDS DISTRIBUTION ANNOUNCEMENT FOR
VANGUARD FTSE DEVELOPED EUROPE INDEX ETF,
VANGUARD FTSE JAPAN INDEX ETF AND VANGUARD S&P
500 INDEX ETF**

Reference is made to the First Announcement issued by Vanguard Investments Hong Kong Limited (the “**Manager**”), the manager of the Trust and the Sub-Funds.

Capitalised terms not defined in this Announcement shall have the same meanings as defined in the First Announcement.

The purpose of this Announcement is to inform the Relevant Investors of the Cash Proceeds Distribution with respect to the three Sub-Funds (as defined above). Relevant Investors, as defined in the First Announcement, mean those investors who remain invested in the Sub-Funds as at 14 May 2021, being the Final Record Date.

For details relating to the Cash Proceeds Distribution for (i) Vanguard FTSE Asia Ex Japan Index ETF; (ii) Vanguard FTSE Asia Ex Japan High Dividend Yield Index ETF; and/or (iii) Vanguard Total China Index ETF, please refer to the Announcement dated 7 June 2021 and titled “*Cash Proceeds Distribution Announcement for Vanguard FTSE Asia Ex Japan Index ETF, Vanguard FTSE Asia Ex Japan High Dividend Yield Index ETF and Vanguard Total China Index ETF*”.

1. Cash Proceeds Distribution Amount

As disclosed in the First Announcement, the Manager will, after having consulted with the Trustee and the Sub-Fund’s auditor, declare a Cash Proceeds Distribution in the base currency of the relevant Sub-Fund, for the Sub-Funds in respect of the Relevant Investors (i.e. those investors who remain so as at the Final Record Date).

On the above basis the Manager, after having consulted the Trustee and the Sub-Fund’s auditor, has resolved that a Cash Proceeds Distribution of the following amounts shall be paid in cash by each Sub-Fund to the Relevant Investors of each Sub-Fund:

Sub-Fund	Cash Proceeds Distribution	Cash Proceeds Distribution per Unit
Vanguard FTSE Developed Europe Index ETF	HKD229,196,000.00	HKD22.9196

Vanguard FTSE Japan Index ETF	HKD88,606,020.00	HKD30.5538
Vanguard S&P 500 Index ETF	HKD739,642,640.00	HKD29.8243

The Cash Proceeds Distribution per Unit for each of the Sub-Funds was determined on the basis of the Net Asset Value per Unit of the respective Sub-Fund as at 3 June 2021 and rounded to 4 decimal places. Each Relevant Investor will be entitled to a Cash Proceeds Distribution of an amount equal to the respective Sub-Fund's then Net Asset Value in proportion to the Relevant Investor's interest in the relevant Sub-Fund as at the Final Record Date. Each Sub-Fund's then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the relevant Sub-Fund.

As disclosed in the First Announcement, the Manager will make the Cash Proceeds Distribution on or about 9 June 2021 and the Further Cash Proceeds Distribution on or about 16 July 2021. The Manager has decided to accelerate entering into the Receivables Purchase Agreement (as disclosed in the First Announcement) with the Trustee to purchase the Outstanding Receivables from the Sub-Funds. This action has been taken to avoid undue delay in the payment of the Cash Proceeds Distribution.

Under the Receivables Purchase Agreement dated 4 June 2021, the Manager paid the following Receivables Purchase Price to the Trustee (on behalf of the Sub-Funds) so that such Receivables Purchase Price will form part of the Cash Proceeds Distribution:

Sub-Fund	Receivables Purchase Price paid to Sub-Fund
Vanguard FTSE Developed Europe Index ETF	HKD730,969.19
Vanguard FTSE Japan Index ETF	HKD1,650,688.81
Vanguard S&P 500 Index ETF	HKD335,773.06

Accordingly, no Further Cash Proceeds Distribution will be required with respect to the Sub-Funds because the Manager will distribute all of each Sub-Fund's assets through the Cash Proceeds Distribution.

2. Cash Proceeds Distribution Payment

The Cash Proceeds Distribution for each Sub-Fund will be credited to the CCASS accounts of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors hold the Units on 14 May 2021 (i.e. the Final Record Date) in each of the Sub-Fund's base currency. It is expected that the Relevant Investors will receive the Cash Proceeds Distribution on or around 9 June 2021, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact their stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the relevant Cash Proceeds Distribution from them.

No Hong Kong profits tax shall generally be payable by investors in Hong Kong in respect of the Cash Proceeds Distribution to the extent of distribution of profits and/or capital of the Sub-Funds. For investors carrying on a trade, profession or business in Hong Kong, profits derived from redemption or disposal of Units in each of the Sub-Funds may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business sourced in Hong Kong, and the Units of the Sub-Funds are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement to their clients holding Units in the relevant Sub-Funds, and inform them of the contents of this Announcement as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment

arrangements, including payment procedures and settlement date, of the Cash Proceeds Distribution from them.

Investors are strongly advised to read and consider the First Announcement together with the Prospectus, for further details in relation to the Trust and the Sub-Funds, the termination, deauthorisation and delisting and the applicable risk factors and their implications to investors.

3. Net Asset Value of the Sub-Funds

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of each Sub-Fund as at 3 June 2021 were as follows:

Sub-Fund	Net Asset Value	Net Asset Value per Unit
Vanguard FTSE Developed Europe Index ETF	HKD229,196,000.00	HKD22.9196
Vanguard FTSE Japan Index ETF	HKD88,606,020.00	HKD30.5538
Vanguard S&P 500 Index ETF	HKD739,642,640.00	HKD29.8243

A simple breakdown of the Net Asset Value of each Sub-Fund is as follows:

Vanguard FTSE Developed Europe Index ETF

As at 3 June 2021

Assets

Cash and cash equivalents	HKD229,196,000.00
Total assets	HKD229,196,000.00

Liabilities

Payables	HKD0
Total liabilities	HKD0

Net Asset Value	HKD229,196,000.00
Number of Units in issue	10,000,000.00
Net Asset Value per Unit	HKD22.9196

Vanguard FTSE Japan Index ETF

As at 3 June 2021

Assets

Cash and cash equivalents	HKD88,606,020.00
Total assets	HKD88,606,020.00

Liabilities

Payables	HKD0
Total liabilities	HKD0

Net Asset Value	HKD88,606,020.00
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Number of Units in issue	2,900,000.00
Net Asset Value per Unit	HKD30.5538

Vanguard S&P 500 Index ETF

As at 3 June 2021

Assets

Cash and cash equivalents	HKD739,642,640.00
Total assets	HKD739,642,640.00

Liabilities

Payables	HKD0
Total liabilities	HKD0

Net Asset Value	HKD739,642,640.00
Number of Units in issue	24,800,000.00
Net Asset Value per Unit	HKD29.8243

As mentioned in the First Announcement, the Manager will bear all costs and expenses associated with the termination and deauthorisation of the Trust and the Sub-Funds as well as the delisting of each Sub-Fund from the SEHK (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the a Sub-Fund) from the date of the First Announcement up to and including the Final Termination Date. As such, no provision has been set aside for such costs and expenses.

Shortly before the Final Termination Date, the Manager will issue an announcement informing investors about the Final Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds from the SEHK, in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in the First Announcement, the Manager will also issue an announcement to inform the Relevant Investors of the revised dates.

Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Investors who are in doubt about the contents of this Announcement should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager by calling +852 3409 8333 during normal business hours (except Hong Kong statutory holidays), or visiting the Manager's website: www.vanguard.com.hk¹.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as of the date of this publication, there are no other facts the omission of which would make any statement misleading.

Vanguard Investments Hong Kong Limited
as Manager of the Trust and the Sub-Funds

7 June 2021

¹ The website has not been reviewed by the SFC.