



## VANGUARD ETF SERIES (THE “TRUST”)

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

**VANGUARD FTSE ASIA EX JAPAN INDEX ETF (Stock Code: 2805)**  
**VANGUARD FTSE DEVELOPED EUROPE INDEX ETF (Stock Code: 3101)**  
**VANGUARD FTSE JAPAN INDEX ETF (Stock Code: 3126)**  
**VANGUARD FTSE ASIA EX JAPAN HIGH DIVIDEND YIELD INDEX ETF (Stock Code: 3085)**  
**(collectively, the “Sub-Funds”)**

### NOTICE TO UNITHOLDERS

#### **Important**

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*If you are in doubt about the contents of this document, you should seek independent professional financial advice. SFC authorization 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 the Sub-Funds are 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 3 June 2014 (as amended by the addendum in respect of Vanguard FTSE Japan Index ETF dated 27 October 2014)(the “Prospectus”), unless otherwise defined herein. The Vanguard Group, Inc., the Manager of the Sub-Funds, 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.*

### **ADDENDUM TO PROSPECTUS AND UPDATED PRODUCT KEY FACTS STATEMENTS**

We are writing to inform you that the Prospectus has been updated by way of an addendum (“**Addendum**”) dated 2 January 2015 and updated product key facts statements of the Sub-Funds (“**Updated KFS**”) have been issued on the same date to disclose the following new information in respect of the Sub-Funds.

#### **Ongoing charges figure and past performance information**

The “total expense ratio” information in the Prospectus and the product key facts statements, which is the sum of the anticipated charges to a Sub-Fund, has been replaced with the term “ongoing charges” in the Addendum and the Updated KFS. The “ongoing charges” figure in respect of a Sub-Fund represents the sum of the *actual* expenses charged to the relevant Sub-Fund and is expressed as a percentage of the average Net Asset Value of the relevant Sub-Fund.

Further, the past performance information of Vanguard FTSE Asia ex Japan Index ETF (stock code: 2805) has also been disclosed in its Updated KFS and on the Sub-Fund’s website, which is shown as a bar chart comparing the past performance of Vanguard FTSE Asia ex Japan Index ETF against the

performance of its Underlying Index and the total return version of the performance of the Underlying Index (i.e. with dividends reinvested).

The past performance information of Vanguard FTSE Developed Europe Index ETF, Vanguard FTSE Japan Index ETF and Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF will be available in the Updated KFS and on the Sub-Funds' website after the Sub-Funds are in operation for more than a full calendar year and have sufficient data to provide a useful indication of past performance.

The Manager intends to update the ongoing charges figure and the past performance information annually by issuing an updated KFS and uploading the most up-to-date information on the Sub-Funds' website.

#### Tracking difference and tracking error

The Updated KFS also discloses the actual tracking difference of Vanguard FTSE Asia ex Japan Index ETF and the estimated annual tracking difference of Vanguard FTSE Developed Europe Index ETF, Vanguard FTSE Japan Index ETF and Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF for the calendar year ended 2014, which show the actual or estimated return difference between the relevant Sub-Fund and its Underlying Index over the year ended 2014.

Further index tracking information, such as the annual tracking error of the Sub-Funds for the past financial year that measures the consistency of the Sub-Funds in following their respective Underlying Index in the last calendar year, will be disclosed on the Sub-Funds' website. The annual tracking error as disclosed on the Sub-Funds' website will be updated monthly on a rolling basis.

#### Reduction of Transaction Levy

Under Section 3 of the Securities and Futures (Levy) (Amendment) Order 2014, the Transaction Levy payable by each of a seller and a buyer in respect of a transaction of securities (including the Units of the Sub-Funds) on the SEHK has been reduced from 0.003% to 0.0027% with effect from 1 November 2014.

#### Further Information

The disclosures relating to the Underlying Index in the Prospectus and the KFS have also been updated with the latest available index data.

For details of the amendment, please refer to the Addendum, a copy of which will be posted on the Sub-Funds' website ([www.vanguard.com.hk](http://www.vanguard.com.hk)\*) and the website of the Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) on 2 January 2015.

Alternatively, the Addendum and the Prospectus of the Sub-Funds are also available for your inspection at the office of our Hong Kong Representative, Vanguard Investments Hong Kong Limited, at Level 20, Man Yee Building, 60-68 Des Voeux Road Central, Central, Hong Kong during normal office hours on each Business Day.

If you have any queries or concerns regarding the above amendment, please contact our Hong Kong Representative at +852 3409 8333.

The Vanguard Group, Inc.

2 January 2015

\*Investors should note that the above website is not reviewed or authorised by the SFC.