



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 S&P 500 INDEX ETF (Stock Code: 3140)
(the "Fund")

NOTICE TO UNITHOLDERS

Important

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*All capitalized terms used in this document have the same meaning as in the prospectus of the Trust dated 13 May 2015 as amended by addenda dated 16 December 2015, 29 April 2016 and 14 October 2016 (collectively, 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

Breach relating to the Incorrect Last Closing NAV (as of 4 November 2016)

We are writing to inform you that a pricing error has happened to the last closing NAV (as of 4 November 2016) that was displayed on the Manager's website (www.vanguard.com.hk) for the Fund in the morning of 7 November 2016.

From 9:09 a.m. (Hong Kong time) to 10:01 a.m. (Hong Kong time) on 7 November 2016 (the "**Period**"), the Fund's last closing NAV being displayed on the Manager's website was incorrect. The correct amount should be HK\$14.7377 but the data on the Manager's website showed HK\$15.0262 during the Period, which was overstated by approximately 1.96%.

The cause of this pricing error was a technological error in the data path on 4 November 2016 which caused a test last closing NAV to be disseminated on the Manager's website on 7 November 2016.

The Manager rectified and corrected the Manager's website with the correct last closing NAV of the Fund at 10:01 a.m. (Hong Kong time) on the same day. The relevant last closing NAV being delivered to the Stock Exchange of Hong Kong and the transfer agent remained accurate.

The Manager believes that the pricing error did not cause any impact to the investors of the Fund but if you have any queries or concerns regarding the above pricing error, please direct them to your financial adviser or contact the Manager 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.).

Vanguard Investments Hong Kong Limited

23 December 2016