

**Vanguard®**

Factsheet | 31 May 2018

# Vanguard FTSE Asia ex Japan Index ETF

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

An exchange-traded fund

**IMPORTANT:** Investment involves risk, including the loss of principal. Investors are advised to consider their own investment objectives and circumstances in determining the suitability of an investment in the Vanguard FTSE Asia ex Japan Index ETF (the "Fund"). If you are in any doubt, you should seek professional advice. Investors should refer to the fund prospectus for further details, including the product features and risk factors. Investors should not base investment decisions on this marketing material alone. Investors should note:

- The Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Asia Pacific ex Japan, Australia and New Zealand Index ("Underlying Index").
- The Fund invests in securities markets that are considered to be emerging markets which involve a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund invests in financial derivatives instruments ("FDIs"), which are more sensitive to changes in market prices of the underlying assets, and investing in FDIs may expose investors to a higher degree of fluctuation and the Fund may be exposed to credit risk on the counterparties with which it trades FDIs.
- The units of the Fund are traded on the Stock Exchange of Hong Kong Limited ("SEHK"). Their prices on the SEHK are based on secondary market trading factors, and the Fund's market prices may deviate significantly from the net asset value.
- The limited availability of RMB outside the PRC may affect the liquidity and trading price of RMB traded units. Investors who buy and sell units traded in RMB counter are exposed to foreign exchange currency risk arising from the fluctuations between the base currency and the RMB.
- The market price of units traded in each HKD, RMB and USD counter may deviate from each other significantly. Further, if there is a suspension of the inter-counter transfer of units between the counters and/or any limitation on the level of services by brokers, investors will only be able to trade their units in one counter only.

### Key fund facts

Benchmark	FTSE Asia Pacific ex Japan, Australia and New Zealand Index
Base currency	HKD
Distribution schedule*	Quarterly
Net assets (HKD)	236 million
Inception date	10 May 2013
Ongoing charges (per annum)**	0.20%
Manager	Vanguard Investments Hong Kong Limited

### Investment approach

- The Fund seeks to track the performance of the FTSE Asia Pacific ex Japan, Australia and New Zealand Index, before deduction of fees and expenses.
- Employs a passively managed, representative sampling strategy to gain exposure to developed and emerging equity markets in Asia (excluding Japan).

### About the benchmark

- Derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalisation.
- Market-capitalisation-weighted index that includes more than 700 constituent stocks of companies located in 11 developed and emerging markets in Asia.
- Excludes common stocks located in Japan, Australia and New Zealand.

### Trading information

Stock code	2805
Trading currency	HKD
Listing date	15 May 2013
SEDOL	B9SL9D3
ISIN	HK0000146222
Intraday NAV ticker	2805iv.P
Bloomberg ticker	2805 HK
Benchmark ticker	TAPXJANH
Exchange	The Stock Exchange of Hong Kong Limited
Trading lot size	100

82805
RMB
9 April 2018
BDSHD82
HK0000398971
82805iv.P
82805 HK
TAPXJANH
The Stock Exchange of Hong Kong Limited
100

9805
USD
9 April 2018
BDSHD71
HK0000398963
9805iv.P
9805 HK
TAPXJANH
The Stock Exchange of Hong Kong Limited
100

\*At the Manager's absolute discretion and distributions will be made in the base currency only.

\*\*Ongoing charges (per annum) is expressed as a percentage of the average net asset value of the Fund, including Manager's fee and all costs and expenses connected with the management and operating activities of the Fund. Please refer to the Fund's prospectus and product key facts statement for details.

# Vanguard FTSE Asia ex Japan Index ETF

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## An exchange-traded fund

### Performance history

Total returns for period ending 31 May 2018

	3 months†	Year to date†	1 year††	3 years††	5 years††	Since inception††
Fund	-2.31%	-0.23%	16.02%	7.00%	7.37%	6.71%
Benchmark	-2.26%	-0.19%	16.32%	7.28%	7.94%	7.22%

†Cumulative monthly return.

††Annualised return.

#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.

### Characteristics

	Fund	Benchmark
Number of stocks	846	885
Median market cap	\$206.5B	\$206.5B
Price/earnings ratio	13.2x	13.2x
Price/book ratio	1.6x	1.6x
Return on equity	15.7%	16.0%
Earnings growth rate	10.7%	10.7%
Cash investments	0.0%	—
Turnover rate (as of 31/03/2018)	3%	—
Equity yield (dividend)	2.4%	2.4%

### Top 10 holdings

	Fund
Tencent Holdings Ltd.	5.9%
Samsung Electronics Co. Ltd.	5.3
Taiwan Semiconductor Manufacturing Co. Ltd.	3.7
Alibaba Group Holding Ltd.	3.3
AIA Group Ltd.	2.3
China Construction Bank Corp.	1.9
Industrial & Commercial Bank of China Ltd.	1.3
Baidu Inc.	1.0
Ping An Insurance Group Co. of China Ltd.	1.0
China Mobile Ltd.	1.0
Total	26.7%

### Participating dealers

Credit Suisse Securities (Hong Kong) Limited
Goldman Sachs (Asia) Securities Limited
KGI Securities (Hong Kong) Limited
Macquarie Bank Limited
Merrill Lynch Far East Limited
ABN AMRO Clearing Hong Kong Limited
UBS Securities Hong Kong Limited
China International Capital Corporation Hong Kong Securities Limited
CIMB Securities Limited
BNP Paribas Securities Services
Morgan Stanley Hong Kong Securities Limited
For the latest list of market makers, please visit
<a href="http://www.hkex.com.hk/Market-Data/Securities-Prices/Exchange-Traded-Products?sc_lang=en">http://www.hkex.com.hk/Market-Data/Securities-Prices/Exchange-Traded-Products?sc_lang=en</a>

### For more information

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**Risk Disclosure Statement:** This factsheet is provided for information only and has been compiled by Vanguard from sources believed to be reliable.

Nothing contained in this factsheet constitutes investment advice or should be relied on as such. This factsheet has not been reviewed by the Securities and Futures Commission of Hong Kong. SFC authorisation is not an official recommendation of the ETF.

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Investment involves risk. All ETF products are subject to market risk which may result in possible delays in repayment and loss of income and capital invested. Past performance is not an indication of future performance.

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The Industry Classification Benchmark ("ICB") is owned by FTSE. FTSE does not accept any liability to any person for any loss or damage arising out of any error or omission in the ICB.

Source: The Vanguard Group, Inc. and FTSE International Limited.

### Calendar year returns

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

### Sector weighting

	Fund	Benchmark
Basic Materials	4.7%	4.7%
Consumer Goods	14.8	14.9
Consumer Services	8.8	8.8
Financials	29.8	29.8
Health Care	2.9	2.9
Industrials	10.2	10.2
Oil & Gas	5.1	5.0
Technology	17.3	17.3
Telecommunications	3.5	3.5
Utilities	2.9	2.9
Total	100.0%	100.0%

Sector categories are based on the Industry Classification Benchmark system ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period.

### Market allocation - Ten largest markets as a % of total assets

	Fund	Benchmark
China	33.3%	33.3%
Korea	16.7	16.7
Hong Kong	12.7	12.7
Taiwan	12.5	12.5
India	10.7	10.7
Singapore	4.2	4.2
Thailand	3.5	3.5
Malaysia	3.0	3.0
Indonesia	2.1	2.1
Philippines	1.2	1.2
Total	99.9%	99.9%