Factsheet | 30 September 2017

Vanguard FTSE Asia ex Japan High Dividend Yield Index ETF (3085)

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 High Dividend Yield 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 NZ High Dividend Yield 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.
- Investing in high dividend yield securities may offer a higher rate of dividend yield. However, high dividend yield securities are subject to risks that the dividend could be reduced or abolished, or the risks that the value of the securities could decline or have lower-than-average potential for price appreciation.
- There is no guarantee that the constituent securities of the Underlying Index will declare or pay out dividends. Therefore, there is no guarantee that the Fund's investment objectives will be met. There is also no guarantee of dividend or distribution payments by the Fund during the period an investor holds shares in the Fund. Dividend yields from the Fund's investments may fluctuate up or down as a result of changes in the dividend policy or performance of the underlying constituent securities in which the Fund is invested. Further, there is no assurance that the distribution yield of the Fund is the same as that of the Underlying Index.
- The shares 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.

Key fund facts

Benchmark	FTSE Asia Pacific ex Japan, Australia, and NZ High Dividend Yield Index
Distribution schedule	Quarterly*
Net assets	$272 million
Inception date	10 June 2014
Listing date	13 June 2014
Total expense ratio	0.35%**
Manager	Vanguard Investments Hong Kong Limited

Trading information

Stock code	3085
SEDOL	BMP3847
ISIN	HK0000188703
Intraday NAV ticker	3085iv.P
Bloomberg ticker	3085 HK
Benchmark ticker	TGPVAN45
Exchange	The Stock Exchange of Hong Kong Limited
Currency	HKD
Trading Lot Size	100

Investment approach

- The Fund seeks to track the performance of the FTSE Asia Pacific ex Japan, Australia and New Zealand High Dividend Yield Index, before deduction of fees and expenses.
- Employs a passively managed, index-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.
- Constituents are characterised by higher-than-average dividend yields.
- Excludes common stocks located in Japan, Australia and New Zealand.

*At the Manager's absolute discretion.

**Reduced from 0.45% to 0.35% effective on 17 October 2016. Total expense ratio includes management fee and all costs and expenses connected with the management and operating activities of the Fund. Please refer to the Fund's prospectus for details.

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Performance history

Total returns for period ending 30 September 2017

	3 months†	Year to date†	1 year††	3 years††	5 years††	Since inception‡
Fund	4.38%	22.86%	17.59%	6.21%	—	5.73%
Benchmark	4.42%	23.32%	18.20%	6.73%	—	6.10%

Calendar year returns

	Fund	Benchmark
2012	—	—
2013	—	—
2014‡	2.03%	1.85%
2015	-12.40%	-12.09%
2016	9.46%	10.14%

†Cumulative monthly return.
††Annualised return.
‡Return since fund inception on 10 June 2014.
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	321	318
Median market cap	$200.9B	$185.9B
Price/earnings ratio	11.3x	11.3x
Price/book ratio	1.3x	1.3x
Return on equity	14.3%	14.3%
Earnings growth rate	4.5%	4.6%
Cash investments	0.0%	—
Turnover rate (as of 30/9/2017)	2%	—
Equity yield (dividend)	4.0%	4.0%

Sector weighting

	Fund	Benchmark
Basic Materials	5.4%	5.3%
Consumer Goods	7.4	7.3
Consumer Services	2.8	2.8
Financials	41.5	41.5
Industrials	10.4	10.5
Oil & Gas	6.3	6.4
Technology	13.4	13.4
Telecommunications	8.0	8.0
Utilities	4.8	4.8
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.

Top 10 holdings

	Fund
Taiwan Semiconductor Manufacturing Co. Ltd.	8.7%
China Construction Bank Corp.	3.8
Industrial & Commercial Bank of China Ltd.	3.0
China Mobile Ltd.	2.7
Hon Hai Precision Industry Co. Ltd.	2.6
Bank of China Ltd.	1.9
CK Hutchison Holdings Ltd.	1.7
Hong Kong Exchanges & Clearing Ltd.	1.7
DBS Group Holdings Ltd.	1.4
Oversea-Chinese Banking Corp. Ltd.	1.4
Total	**28.9%**

Country diversification - Ten largest markets as a % of total assets

	Fund	Benchmark
Taiwan	26.5%	26.6%
China	26.1	26.3
Hong Kong	16.6	16.6
Singapore	8.3	8.1
Korea	7.8	7.7
Malaysia	5.0	5.0
Thailand	3.9	3.9
India	3.2	3.2
Indonesia	1.9	1.9
Philippines	0.5	0.5
Total	**99.8%**	**99.8%**

Market makers

Commerz Securities Hong Kong Ltd.
Credit Suisse Securities (Hong Kong) Limited
Merrill Lynch Far East Limited
SG Securities (HK) Limited

Participating dealers

Credit Suisse Securities (Hong Kong) Limited
Goldman Sachs (Asia) Securities Limited
Macquarie Bank Limited
Merrill Lynch Far East Limited
ABN AMRO Clearing Hong Kong Limited
SG Securities (HK) Limited
UBS Securities Hong Kong Limited
China International Capital Corporation Hong Kong Securities Limited
CIMB Securities Limited

For more information

Web: vanguard.com.hk
Email: sales@vanguard.com.hk

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