



Factsheet | 30 June 2017

# Vanguard FTSE Developed Europe Index ETF (3101)

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 Developed Europe 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 Developed Europe Index.
- The Fund invests in European securities markets, which involve a greater risk of loss than investing in other markets and may result in a higher risk of loss to the Fund. Changes in governmental or European Union ("EU") regulations on trade, exchange rate of the euro, decreasing imports or exports, the default or threat of default by an EU member country on its sovereign debt, and/or an economic recession in an EU member country may have a significant adverse effect on the EU economy. Further, the Economic and Monetary Union of the EU requires compliance with interest rates, debt levels, restrictions on inflation rates, deficits and fiscal and monetary controls, each of which may significantly affect the EU economy.
- 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 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 Developed Europe Index
Distribution schedule	Quarterly*
Net assets	\$155 million
Inception date	10 June 2014
Listing date	13 June 2014
Total expense ratio	0.18% **
Manager	Vanguard Investments Hong Kong Limited

## Trading information

Stock code	3101
SEDOL	BMP3825
ISIN	HK0000188695
Intraday NAV ticker	3101in.IDCC
Bloomberg ticker	3101 HK
Benchmark ticker	AWNT06
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 Developed Europe Index, before deduction of fees and expenses.
- Employs a passively managed, index-sampling strategy to gain exposure to developed equity markets in Europe.

## About the benchmark

- Derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalisation.
- The index measures the market performance of large- and mid-cap stocks of companies in developed European countries.

\*At the Manager's absolute discretion.

\*\*Reduced from 0.25% to 0.18% 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 June 2017

	3 months†	Year to date†	1 year††	3 year††	5 years††	Since inception‡
Fund	8.01%	16.28%	21.75%	0.10	—	-0.21%
Benchmark	7.88%	16.16%	21.75%	0.12	—	-0.20%

†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.

### Calendar year returns

	Fund	Benchmark
2012	—	—
2013	—	—
2014‡	-11.91%	-11.80%
2015	-2.59%	-2.50%
2016	-0.42%	-0.49%

### Characteristics

	Fund	Benchmark
Number of stocks	537	540
Median market cap	\$362.3B	\$362.6B
Price/earnings ratio	19.2x	19.2x
Price/book ratio	1.8x	1.8x
Return on equity	16.1%	16.0%
Earnings growth rate	1.1%	1.1%
Cash investments	0.0%	—
Turnover rate (as of 31/3/2017)	1%	—
Equity yield (dividend)	3.3%	3.3%

### Top 10 holdings

	Fund
Nestle SA	3.0%
Royal Dutch Shell plc	2.4
Novartis AG	2.2
Roche Holding AG	2.1
HSBC Holdings plc	2.1
Unilever	1.7
British American Tobacco plc	1.4
BP plc	1.2
TOTAL SA	1.2
Bayer AG	1.2
Total	18.5%

### Market makers

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

### Sector weighting

	Fund	Benchmark
Basic Materials	7.6%	7.6%
Consumer Goods	18.9	19.0
Consumer Services	6.4	6.5
Financials	22.7	22.7
Health Care	12.7	12.4
Industrials	13.9	14.0
Oil & Gas	6.5	6.5
Technology	3.6	3.6
Telecommunications	3.9	3.9
Utilities	3.8	3.8
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.

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

	Fund	Benchmark
United Kingdom	28.6%	28.6%
France	15.6	15.6
Germany	14.9	14.9
Switzerland	13.8	13.6
Spain	5.4	5.4
Netherlands	5.2	5.2
Sweden	4.6	4.7
Italy	3.8	3.9
Denmark	2.8	2.8
Belgium	1.8	1.8
Total	96.5%	96.5%

### Participating dealers

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

### For more information

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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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