Factsheet | 30 November 2017

Vanguard FTSE Japan Index ETF (3126)

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 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 Japan Index.
- The Fund concentrates its investment in the Japanese securities market which may involve a higher level of risks compared to investing in a more diversified portfolio/strategy and 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 regulations on trade, exchange rate of the Japanese yen, decreasing imports or exports, and/or an economic recession in Japan may have a significant adverse effect on the Japanese 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 Japan Index
Distribution schedule	Quarterly*
Net assets	$102 million
Inception date	10 June 2014
Listing date	13 June 2014
Ongoing charges (per annum)	0.18%**
Manager	Vanguard Investments Hong Kong Limited

Trading information

Stock code	3126
SEDOL	BMP3836
ISIN	HK0000188687
Intraday NAV ticker	3126iv.P
Bloomberg ticker	3126 HK
Benchmark ticker	WIJPNNT
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 Japan Index, before deduction of fees and expenses.
- Employs a passively managed, index sampling strategy to gain exposure to the equity market in 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 is designed to measure the equity market performance of large- and mid-cap stocks of companies in Japan.

*At the Manager's absolute discretion.

**Reduced from 0.25% to 0.18% effective on 17 October 2016. Ongoing charges include 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 November 2017

	3 months†	Year to date†	1 year††	3 years††	5 years††	Since inception‡
Fund	9.79%	24.82%	26.07%	11.76%	—	10.14%
Benchmark	9.78%	24.85%	26.10%	11.87%	—	10.26%

Calendar year returns

	Fund	Benchmark
2012	—	—
2013	—	—
2014‡	-1.09%	-1.00%
2015	10.59%	10.76%
2016	2.43%	2.54%

†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	502	502
Median market cap	$167.5B	$167.5B
Price/earnings ratio	15.8x	15.8x
Price/book ratio	1.4x	1.4x
Return on equity	9.1%	9.1%
Earnings growth rate	18.1%	18.2%
Cash investments	0.0%	—
Turnover rate (as of 30/9/2017)	6%	—
Equity yield (dividend)	1.9%	1.9%

Top 10 holdings

	Fund
Toyota Motor Corp.	4.2%
Mitsubishi UFJ Financial Group Inc.	2.3
SoftBank Group Corp.	1.8
Honda Motor Co. Ltd.	1.5
Sony Corp.	1.5
Sumitomo Mitsui Financial Group Inc.	1.4
Keyence Corp.	1.3
KDDI Corp.	1.3
FANUC Corp.	1.2
Mizuho Financial Group Inc.	1.2
Total	17.7%

Sector weighting

	Fund	Benchmark
Basic Materials	6.7%	6.7%
Consumer Goods	24.7	24.7
Consumer Services	10.3	10.4
Financials	15.3	15.2
Health Care	6.6	6.6
Industrials	23.0	23.1
Oil & Gas	1.0	1.0
Technology	5.6	5.5
Telecommunications	5.0	5.0
Utilities	1.8	1.8
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.

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

Market makers

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

For more information

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