



Vanguard®

Factsheet | 31 May 2018

# Vanguard FTSE Japan Index ETF (HKD: 3126 / RMB: 83126 / USD: 9126)

## 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 ("Underlying 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 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 Japan Index
Base currency	HKD
Distribution schedule*	Quarterly
Net assets (HKD)	111 million
Inception date	10 June 2014
Ongoing charges (per annum)**	0.18%
Manager	Vanguard Investments Hong Kong Limited

### Investment approach

- The Fund seeks to track the performance of the FTSE Japan Index, before deduction of fees and expenses.
- Employs a passively managed, representative 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.

### Trading information

Stock code	3126
Trading currency	HKD
Listing date	13 June 2014
SEDOL	BMP3836
ISIN	HK0000188687
Intraday NAV ticker	3126iv.P
Bloomberg ticker	3126 HK
Benchmark ticker	WIJPNNT
Exchange	The Stock Exchange of Hong Kong Limited
Trading lot size	100

	83126
	RMB
	9 April 2018
	BDSHDD7
	HK0000398997
	83126iv.P
	83126 HK
	WIJPNNT
	The Stock Exchange of Hong Kong Limited
	100

	9126
	USD
	9 April 2018
	BDSHDC6
	HK0000398989
	9126iv.P
	9126 HK
	WIJPNNT
	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 Japan Index ETF

## (HKD: 3126 / RMB: 83126 / USD: 9126)

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	-1.97%	0.90%	15.70%	7.47%	—	9.29%
Benchmark	-2.00%	0.88%	15.71%	7.52%	—	9.39%

†Cumulative monthly return.

††Annualised return.

#Return since fund inception on 10 June 2014.

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.

Calendar year returns

	Fund	Benchmark
2013	—	—
2014‡	-1.09%	-1.00%
2015	10.59%	10.76%
2016	2.43%	2.54%
2017	25.88%	25.92%

### Characteristics

	Fund	Benchmark
Number of stocks	509	509
Median market cap	\$165.0B	\$165.0B
Price/earnings ratio	13.4x	13.4x
Price/book ratio	1.4x	1.4x
Return on equity	9.7%	9.7%
Earnings growth rate	15.0%	15.0%
Cash investments	0.0%	—
Turnover rate (as of 31/03/2018)	1%	—
Equity yield (dividend)	2.1%	2.1%

### Sector weighting

	Fund	Benchmark
Basic Materials	6.4%	6.4%
Consumer Goods	24.8	24.8
Consumer Services	11.0	11.0
Financials	14.7	14.7
Health Care	7.1	7.1
Industrials	23.3	23.3
Oil & Gas	1.0	1.0
Technology	5.3	5.3
Telecommunications	4.5	4.5
Utilities	1.9	1.9
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.

### Top 10 holdings

	Fund
Toyota Motor Corp.	4.1%
Mitsubishi UFJ Financial Group Inc.	1.9
SoftBank Group Corp.	1.5
Sony Corp.	1.5
Honda Motor Co. Ltd.	1.4
Keyence Corp.	1.4
Sumitomo Mitsui Financial Group Inc.	1.4
KDDI Corp.	1.2
Nintendo Co. Ltd.	1.1
Mizuho Financial Group Inc.	1.1
Total	16.6%

### 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
BNP Paribas Securities Services

For the latest list of market makers, please visit

[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)

### 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.

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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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