

Fact sheet | 30 September 2014

# Vanguard FTSE Emerging Markets UCITS ETF

An exchange-traded fund

Key ETF facts						
	SEDOL	Exchange ticker	Reuters	Bloomberg	Bloomberg iNav	Valoren
<b>London Stock Exchange</b>						
GBP	B7NLLK5	VFEM	VFEM.L	VFEM LN	IVFEMGBP	—
USD	B7NLJF6	VDEM	VDEM.L	VDEM LN	IVDEMUSD	—
<b>SIX Swiss Exchange</b>						
CHF	B9F6LG8	VFEM	VFEM.S	VFEM SW	IVFEMCHF	18575472
<b>NYSE Euronext</b>						
EUR	B99L084	VFEM	VFEM.AS	VFEM NA	IVFEM	—
<hr/>						
<b>Benchmark</b> FTSE Emerging Index	<b>Index ticker</b> TAWALENU		<b>Inception date</b> 22 May 2012		<b>Tax status</b> UK reporting	
<b>Domicile</b> Ireland	<b>Investment structure</b> UCITS		<b>Legal entity</b> Vanguard Funds plc		<b>Dividends</b> Distributed	
<b>Base currency</b> USD	<b>ISIN</b> IE00B3VVM84		<b>Investment method</b> Physical		<b>Dividend schedule</b> Quarterly	
<b>Investment manager</b> The Vanguard Group, Inc. Europe Equity Index Team	<b>Total assets</b> USD (million) 312		<b>Countries registered</b> Denmark, Finland, France, Germany, Luxembourg, Netherlands, Norway, Sweden, Switzerland and United Kingdom			

## Investment approach

- This fund seeks to track the performance of the index, a market-capitalisation-weighted index of large- and mid-cap companies in multiple emerging markets in Europe, Asia, Africa, Latin America and the Middle East.
- The fund employs a passive management or indexing investment approach, through physical acquisition of securities, designed to track the performance index.
- The fund will invest in a portfolio of equity securities that, so far as possible and practicable, consists of the component securities of the index.

## About the benchmark

- The index is a free-float-adjusted market-capitalisation index that is designed to measure equity market performance of large- and mid-cap companies in emerging markets.

## Performance summary

USD—Vanguard FTSE Emerging Markets UCITS ETF

	Fund	Benchmark
September 2012 – 2013	-0.10%	0.13%
September 2013 – 2014	6.28%	6.51%

## Management charge

AMC/TER*	0.25%
----------	-------

## Performance

USD—Vanguard FTSE Emerging Markets UCITS ETF

Benchmark—FTSE Emerging Index

	Net of expenses	Gross of expenses	Benchmark
1 month	-7.05%	-7.04%	-7.05%
3 months	-2.42	-2.35	-2.33
Year to date	4.71	4.93	4.90
1 year	6.28	6.62	6.51
Since inception	7.09	7.51	7.11

**Key investment risks** - The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. The value of investments may fall or rise as a result of changes in exchange rates. ETF shares can be bought or sold only through a broker. Investing in ETFs entails stockbroker commission and a bid-offer spread which should be considered fully before investing.

\*As we (the fund manager) pay all running costs out of our Annual Management Charge (AMC), we expect our Total Expense Ratio (TER) to be the same as our AMC. ETFs are purchased and sold through a stockbroker or execution platform and not directly with the issuer. An investor will incur trading costs in addition to the issuer's stated TER. The TER for the Vanguard FTSE Emerging Markets ETF was reduced from 0.45% to 0.29%, effective 3 December 2013. Please see the prospectus for more details.

# Vanguard FTSE Emerging Markets UCITS ETF

## An exchange-traded fund

### Characteristics

	Fund	Benchmark
Number of stocks	927	904
Median market cap	17.6B	17.6B
Price/earnings ratio	14.0x	13.9x
Price/book ratio	1.7x	1.7x
Return on equity	18.4%	18.5%
Earnings growth rate	14.2%	14.3%
Non-US holdings	100.0%	—
Cash investments	0.0%	—
Turnover rate	9%	—
Equity yield (dividend)	2.9%	2.9%

The PTR (Portfolio Turnover Rate) approach considers the total security purchases and sales, the total subscriptions and redemptions and the average net assets of the fund to calculate the turnover figure. Data as at 30 September 2014.

### Top 10 holdings

	Fund
Taiwan Semiconductor Manufacturing Co. Ltd.	2.7%
Tencent Holdings Ltd.	2.0
China Mobile Ltd.	1.7
China Construction Bank Corp.	1.5
Industrial & Commercial Bank of China Ltd.	1.3
Naspers Ltd.	1.1
Hon Hai Precision Industry Co. Ltd.	1.1
Gazprom OAO	1.1
Itau Unibanco Holding SA Preference Shares	1.1
America Movil SAB de CV	1.1
Total	14.7%

### Weighted exposure

	Fund	Benchmark
Basic Materials	7.4%	7.4%
Consumer Goods	9.6	9.6
Consumer Services	7.0	6.9
Financials	29.4	29.5
Health Care	2.4	2.4
Industrials	10.4	10.3
Oil & Gas	11.5	11.6
Technology	9.9	10.0
Telecommunications	8.5	8.5
Utilities	3.9	3.8
Total	100.0%	100.0%

### Top country diversification

	Fund	Benchmark
China	21.5%	21.4%
Taiwan	13.6	13.6
Brazil	12.4	12.4
India	11.1	11.1
South Africa	9.1	9.0
Mexico	6.2	6.1
Russia	5.1	5.2
Malaysia	5.0	4.9
Thailand	3.1	3.1
Indonesia	2.9	2.8
Total	90.0%	89.6%

### Glossary for ETF attributes

The ETF attributes section on the first page contains a number of metrics that professional investors use to value individual stocks against a market or index average. These metrics can also be used to value and compare funds to the market by taking the average of all the stocks held in the fund and comparing them to those of the fund's benchmark index. We've provided a definition of the terms used for your convenience.

**Earnings growth rate** is a measure of growth in a company's net income (what remains after subtracting all the costs from a company's revenues) over a specific period (often one year). Earnings growth can apply to previous periods or estimated data for future periods.

**Equity yield (dividend)** is the dividend income earned by stocks, expressed as a percentage of the aggregate market value (or of net asset value, for a fund). Quoted historic yield is determined by dividing the gross distributions declared over the last 12 months by the average of the bid and ask unit prices, as at the date shown. The dividend yield stated on the factsheet applies to the underlying holdings of the ETF, and not the ETF itself.

**Market capitalisation** is the aggregate value of a company or stock and is calculated by multiplying the number of shares which are available to retail investors by the current price per share.

**Median market cap (capitalisation)** looks at all companies in a mutual fund portfolio and calculates the mid point market capitalisation. Market capitalisation represents the aggregate value of a company's stock.

**Mid market share price** is the price of a share between its offer and bid price.

**Price book ratio** compares a stock's market value to its book value (the accounting value of a stock). It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

**Price earnings ratio (P/E ratio)** of a stock is the price paid for a share divided by the annual profit earned by the firm per share. A stock with a price of £10 a share, and earnings last year of £1 a share, would have a P/E ratio of 10.

**Return on equity** is a measure of a company's profitability that reveals how much profit a company generates with the money shareholders have invested.

### For more information contact your local sales team or:

Web: <http://global.vanguard.com>  
Transfer Agent (Europe): Tel. +353 1612 3226  
Client Services (Europe): Tel. +44 (0)203 753 4305  
Email: [european\\_client\\_services@vanguard.co.uk](mailto:european_client_services@vanguard.co.uk)

Source: The Vanguard Group, Inc.

The material contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information on this document does not constitute legal, tax, or investment advice. You must not, therefore, rely on the content of this document when making any investment decisions.

The Manager of Vanguard Funds plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management Limited is the distributor of Vanguard Funds plc. Vanguard Funds plc have been authorised by the Central Bank of Ireland as a UCITS. Prospective investors are also urged to consult their own professional advisors on the implications of making an investment in, and holding or disposing shares of the Funds and the receipt of distributions with respect to such shares under the law of the countries in which they are liable to taxation. For further information on the fund's investment policy, please refer to the Key Investor Information Document ("KIID"). The KIID and Full Prospectus (including any supplements) for this fund are available in English from Vanguard Asset Management, Limited via our website <https://global.vanguard.com>.

SEDOL data has been provided from the London Stock Exchange's SEDOL Masterfile™. "SEDOL" and "SEDOL Masterfile" are registered trademarks of the London Stock Exchange.

Issued by Vanguard Asset Management, Limited which is authorised and regulated in the UK by the Financial Conduct Authority.

© 2014 Vanguard Asset Management, Limited. All rights reserved.

F9407EN\_092014