



Vanguard®

# Vanguard FTSE Emerging Markets Index ETF

VEE

As of 30 April 2013

## Investment approach

- Seeks to track the performance of the FTSE Emerging Transition Index to the extent possible and before fees and expenses.
- Invests primarily in the U.S.-domiciled Vanguard FTSE Emerging Markets ETF.
- Employs a passively managed, index-sampling strategy to gain exposure to stocks included in the index.
- Low expenses minimize net tracking error.

## About the benchmark

- The market-cap-weighted index includes approximately 790 common stocks of companies located in emerging markets around the world.
- Comprises 22 countries in Europe, Asia, Africa, Latin America and Russia.
- For approximately six months, this Vanguard ETF will seek to track the FTSE Emerging Transition Index while this Vanguard ETF transitions from the MSCI Emerging Markets Index to the FTSE Emerging Index.
- The FTSE Emerging Transition Index is a “dynamic” index that will gradually reduce South Korean equity exposure by approximately 4% each week for a period of six months, while proportionately adding exposure to stocks of companies located in other countries based on their weightings in the new index.

## Performance history

Total returns for period ending 30 April 2013

Vanguard FTSE Emerging Markets Index ETF	3 months	Year to date	1 year	3 years	5 years	Since inception
Net asset value (NAV) return	-0.78%	-0.45%	6.74%	—	—	6.76%
Market price return	-0.63	-0.16	6.86	—	—	6.87
Spliced Emerging Markets Index in CAD	-1.27	0.44	6.18	2.98	-0.29	10.31

*The performance of the index and the past performance of the Vanguard ETF are not an exact representation of any particular investment as you cannot invest directly in an index and past performance does not guarantee future results. The historical performance of the index and of the Vanguard ETF are for illustrative purposes only and are not meant to forecast, imply or guarantee the future performance of the Vanguard ETF. See [www.vanguardcanada.ca](http://www.vanguardcanada.ca) to find the most recent month-end performance numbers.*

## ETF facts

Benchmark	FTSE Emerging Transition Index
Dividend schedule	Quarterly
ETF total net assets	\$132 million
Inception date	30 November 2011
Eligibility	RRSP, RRIF, RESP, TFSA, DPSP, RDSP
Management fee*	0.49%
MER	0.54%

## Trading information

Ticker symbol	VEE
CUSIP	92203X109
SEDOL	B97L2T1
ISIN	CA92203X1096
Index ticker	THORIZ2C
Exchange	Toronto Stock Exchange
Currency	CAD

Commissions, management fees and expenses all may be associated with the Vanguard ETFs. This offering is only made by prospectus. Copies are available from Vanguard Investments Canada Inc. at [www.vanguardcanada.ca](http://www.vanguardcanada.ca). Investment objectives, risks, fees, expenses and other important information are contained in the prospectus; read it before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. ETFs are not guaranteed, their values change frequently and past performance may not be repeated.

\* The management fee is equal to the fee paid by the Vanguard ETF to Vanguard Investments Canada Inc., and does not include applicable taxes or other fees and expenses of the Vanguard ETF. For any Vanguard ETF which invests in another Vanguard fund, the management fee also includes any fees paid to Vanguard Investments Canada Inc. or its affiliates by such other Vanguard fund as well as certain expenses of the other Vanguard fund that are paid directly by the other Vanguard fund.

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## ETF characteristics

	FTSE Emerging Markets ETF*	FTSE Emerging Index
Number of stocks	1,053	953
Median market cap	\$18.3B	\$17.7B
Price/earnings ratio	13.1x	12.7x
Price/book ratio	1.7x	1.7x
Return on equity	19.2%	19.0%
Earnings growth rate	13.7%	13.9%
Cash investments	0.0%	—
Turnover rate	9%	—

## Sector weighting

	FTSE Emerging Markets ETF*	FTSE Emerging Index
Financials	29.3%	28.9%
Energy	13.1	13.2
Information Technology	10.9	11.1
Materials	10.5	10.5
Consumer Staples	9.4	9.4
Telecommunication Service	8.5	8.4
Consumer Discretionary	6.7	6.8
Industrials	6.1	6.2
Utilities	3.9	3.9
Health Care	1.6	1.6

The sector allocations provided exclude any temporary cash investments.

## Ten largest stocks as % of total net assets \*

Taiwan Semiconductor Manufacturing Co. Ltd.	2.5%
Petroleo Brasileiro SA	2.2
China Construction Bank Corp.	1.7
China Mobile Ltd.	1.6
Vale SA	1.6
Industrial & Commercial Bank of China Ltd.	1.4
Samsung Electronics Co. Ltd.	1.3
Banco Bradesco SA	1.3
Gazprom OAO	1.3
Itau Unibanco Holding SA	1.2
Total	16.1%

The holdings provided exclude any temporary cash investments and equity index products.

## Country diversification—Ten largest markets as % of total assets

	FTSE Emerging Markets ETF*	FTSE Emerging Index
China	19.1%	18.3%
Brazil	14.6	14.4
Taiwan	11.8	11.8
India	8.5	8.4
South Africa	8.4	8.3
Russia	6.3	6.2
Mexico	5.6	5.6
Korea	5.0	5.6
Malaysia	4.3	4.3
Indonesia	3.3	3.3
Total	86.9%	86.2%

\* Information displayed is for the U.S.-domiciled Vanguard Emerging Markets ETF.

Spliced Emerging Markets Index. An index that reflects performance of the MSCI Emerging Markets Index through 9 January 2013; FTSE Emerging Transition Index thereafter.

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Sources: The Vanguard Group, Inc., MSCI and FTSE.

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