

Vanguard FTSE Emerging Markets All Cap Index ETF

Trading information

| | |
|---------------|------------------------|
| Ticker symbol | VEE |
| CUSIP | 92205X107 |
| SEDOL | BYZTVL7 |
| ISIN | CA92205X1078 |
| Index ticker | FQEACRCA |
| Exchange | Toronto Stock Exchange |
| Currency | CAD |

ETF facts

| | |
|-----------------------|---|
| Benchmark | FTSE Emerging Markets All Cap China A Inclusion Index |
| Distribution schedule | Quarterly |
| ETF total net assets | \$1,186 million |
| Inception date | November 30, 2011 |
| Eligibility | RRSP, RRIF, RESP, TFSA, DPSP, RDSP, Non-reg |
| Management fee* | 0.23% |
| MER† | 0.24% |

Objective

The fund seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad emerging markets index. Currently, this Vanguard ETF seeks to track the FTSE Emerging Markets All Cap China A Inclusion Index (or any successor thereto). It invests directly or indirectly primarily in large-, mid- and small-capitalization stocks of companies located in emerging markets.

About the benchmark

- The FTSE Emerging Markets All Cap China A Inclusion Index is a market-capitalization-weighted index representing the performance of large-, mid- and small-capitalization stocks from advanced and secondary emerging markets.

Performance summary

VEE year-end NAV calendar returns as of December 31, 2019.

| | Net of expenses |
|------|-----------------|
| 2015 | -0.24% |
| 2016 | 8.36% |
| 2017 | 22.50% |
| 2018 | -7.91% |
| 2019 | 14.12% |

Performance history

Total returns for period ending November 30, 2020

| | 3 months | Year to date | 1 year | 3 years | 5 years | Since inception |
|----------------------------------|----------|--------------|--------|---------|---------|-----------------|
| VEE Market price return | 7.99% | 8.23% | 13.25% | 4.81% | 8.60% | 6.88% |
| VEE Net asset value (NAV) return | 8.02% | 8.30% | 13.12% | 4.74% | 8.60% | 6.87% |
| Benchmark return | 7.91% | 8.89% | 13.60% | 5.31% | 9.32% | — |

Performance of the benchmark reflects performance of the MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015, FTSE Emerging Markets All Cap China A Transition Index thereafter.

The performance of an index is not an exact representation of any particular investment as you cannot invest directly in an index. The performance of the index does not reflect the deduction of any expenses which would have reduced total returns. Performance information of the Vanguard fund reflects waivers of certain expenses and/or fees. If the Vanguard fund had incurred all expenses, investment returns would have been reduced. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all dividends or 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. The performance of the index and Vanguard fund is for illustrative purposes only.

Commissions, management fees, and expenses all may be associated with investment funds. Investment objectives, risks, fees, expenses, and other important information are contained in the prospectus; please read it before investing. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. Vanguard funds are managed by Vanguard Investments Canada Inc. and are available across Canada through registered dealers.

* The management fee is equal to the fee paid by the Vanguard fund to Vanguard Investments Canada Inc., and does not include applicable taxes or other fees and expenses of the Vanguard fund. This Vanguard fund invests in underlying Vanguard fund(s) and there shall be no duplication of management fees chargeable in connection with the Vanguard fund and its investment in the Vanguard fund(s).

† The management expense ratio (MER) is the MER as of December 31, 2019, including waivers and absorptions and is expressed as an annualized percentage of the daily average net asset value. The MER would have been 0.24% without any absorptions or waivers. Vanguard Investments Canada Inc. expects to continue absorbing or waiving certain fees indefinitely but may, in its discretion, discontinue this practice at any time.

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Information displayed is for the U.S.-domiciled Vanguard Emerging Market ETF in which the fund primarily invests.

ETF characteristics

| | VEE | Benchmark |
|-------------------------|---------|-----------|
| Number of stocks | 5,018 | 4,120 |
| Median market cap | \$35.4B | \$34.9B |
| Price/earnings ratio | 17.5x | 17.7x |
| Price/book ratio | 2.0x | 2.0x |
| Return on equity | 16.4% | 16.5% |
| Earnings growth rate | 13.4% | 13.9% |
| Equity yield (dividend) | 2.4% | 2.3% |

Top 10 holdings (% of net asset value)

| | VEE |
|---|-------|
| Alibaba Group Holding Ltd. | 6.5% |
| Taiwan Semiconductor Manufacturing Co. Ltd. | 5.9 |
| Tencent Holdings Ltd. | 5.8 |
| Meituan | 1.9 |
| Naspers Ltd. | 1.2 |
| Reliance Industries Ltd. | 1.1 |
| JD.com Inc. | 1.0 |
| Ping An Insurance Group Co. of China Ltd. | 1.0 |
| China Construction Bank Corp. | 1.0 |
| Industrial & Commercial Bank of China Ltd. | 0.8 |
| Total | 26.2% |

Volatility

| | R-Squared | Beta | Tracking error |
|-----|-----------|------|----------------|
| VEE | 95.00% | 1.03 | 3.23% |

R-squared, beta and tracking error are calculated from the 36-month fund returns relative to the benchmark.

Sector weighting

| | VEE | Benchmark |
|------------------------|--------|-----------|
| Technology | 24.0% | 23.8% |
| Financials | 19.0 | 19.1 |
| Consumer Discretionary | 18.0 | 18.0 |
| Industrials | 6.5 | 6.5 |
| Basic Materials | 6.2 | 6.2 |
| Energy | 5.9 | 6.0 |
| Consumer Staples | 5.5 | 5.5 |
| Telecommunications | 4.4 | 4.4 |
| Health Care | 4.2 | 4.2 |
| Real Estate | 3.6 | 3.6 |
| Utilities | 2.7 | 2.7 |
| Other | 0.0 | 0.0 |
| Total | 100.0% | 100.0% |

The sector allocations provided exclude any temporary cash investments. 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. Beginning September 2020, FTSE Russell is enhancing the ICB structures to provide additional granularity from the industry through subsector levels. Please note that there may be differences in sector names and classifications as these changes are implemented across the industry through March 2021.

Market allocation

| | VEE | Benchmark |
|--------------|-------|-----------|
| China | 43.9% | 44.2% |
| Taiwan | 16.1 | 15.9 |
| India | 10.3 | 10.4 |
| Brazil | 5.6 | 5.6 |
| South Africa | 3.9 | 4.0 |
| Saudi Arabia | 3.1 | 3.1 |
| Thailand | 2.8 | 2.8 |
| Russia | 2.6 | 2.6 |
| Malaysia | 2.2 | 2.2 |
| Mexico | 2.1 | 2.1 |
| Total | 92.6% | 92.9% |

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All investments are subject to risk, including the possible loss of principal.

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