

# Vanguard Global Value Equity Active ETF (Managed Fund)

VVLU

## Key ETF facts

Management fee	0.28% p.a.
Indirect costs	0.01% p.a.
Inception date	13 April 2018
Income distribution	Quarterly
Distribution reinvestment plan	Yes
ETF size	\$30.5 million
Total fund size	\$36.1 million
Number of holdings	1,276

## Trading information

ASX code	VVLU
ISIN	AU0000005886
Minimum investment	No minimum
ETF listed on ASX	13 April 2018

## Benchmark information

Benchmark (Bmk)	FTSE Developed All-Cap in Australian dollars Index <sup>E</sup>
Number of holdings	5,647

## Investment objective

Vanguard Global Value Equity Active ETF (Managed Fund) seeks to provide long term capital appreciation through an active approach that invests in global equity securities demonstrating value characteristics.

## Active ETF overview

In pursuit of its investment objective, Vanguard uses a proprietary quantitative model to evaluate an investment universe comprised of large, mid and small cap equity securities from developed markets across the world, which includes a diverse representation of companies, market sectors and industry groups. This investment universe is drawn primarily from equity securities included in the FTSE Developed All Cap Index and the Russell 3000 Index.

Vanguard's quantitative model implements a rules-based active approach that aims to assess the factor exposures of securities, favouring equity securities which, when compared to other securities in the investment universe, have lower prices relative to their fundamental measures of value (measures may include price-to-book, price-to-earnings ratio and price-to-operating cash flow).

## Performance return<sup>A,B,C</sup> (%)

	ETF gross	Bmk	ETF total	Distb'n	Growth
1 month	-0.65	-0.20	-0.68	0.29	-0.97
3 months	-0.65	3.66	-0.72	0.29	-1.01
6 months	7.53	10.40	7.38	0.83	6.55
1 year	-19.60	3.22	-19.83	1.92	-21.75
3 years (p.a.)	N/A	N/A	N/A	N/A	N/A
5 years (p.a.)	N/A	N/A	N/A	N/A	N/A
10 years (p.a.)	N/A	N/A	N/A	N/A	N/A
Inception (p.a.)	-6.42	9.75	-6.68	3.75	-10.43

## Year to year gross return<sup>A,B,C</sup> (%)

	Dec - Dec		June - June	
	ETF	Bmk	ETF	Bmk
YTD	-24.10	-1.10	-0.65	3.66
2020	N/A	N/A	-17.23	3.88
2019	20.77	27.35	-1.55	10.47
2018	-7.37	-0.13	4.89	5.73

## Income distribution<sup>D</sup>

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	11.2197	\$38.1048

## Notes

- A Past performance is not an indication of future performance.
- B Returns assume reinvestment of all distributions. Returns for periods longer than 1 year are annualised. ETF gross returns are before management fees and taxes, but after transaction and operational costs. ETF total return is the ETF gross return less management fees. Index returns do not allow for taxes, management, transaction and operational costs.
- C Returns assume that an investor purchased shares at Net Asset Value (NAV) and does not reflect the transaction costs imposed on the creation and redemptions of ETF units, brokerage or the bid ask spread that investors pay to buy and sell ETF securities on the Australian Securities Exchange.
- D Past distributions are not an indication of future distributions.
- E The Vanguard Global Value Equity Active ETF is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

## Vanguard Global Value Equity Active ETF (Managed Fund)

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## Characteristics

	ETF	Bmk
Number of holdings	1,276	5,647
Median market cap	\$9.5B	\$83.0B
Price/Earnings ratio	11.3x	22.9x
Price/Book ratio	0.8x	2.3x
Return on equity ratio	9.5%	15.4%
Earnings growth rate	7.8%	12.3%
Equity yield (dividend)	3.6%	2.1%

## Top 10 holdings

1. General Motors Co.
2. HCA Healthcare Inc.
3. Goldman Sachs Group Inc.
4. Verizon Communications Inc.
5. Biogen Inc.
6. Duke Energy Corp.
7. Walgreens Boots Alliance Inc.
8. Micron Technology Inc.
9. CVS Health Corp.
10. Intel Corp.

The top 10 holdings represent 4.1% of the total ETF.

## Sector allocation (%)

	ETF	Bmk
Financials	28.8	11.8
Industrials	16.4	14.7
Consumer Discretionary	12.0	15.5
Utilities	7.5	3.3
Basic Materials	6.3	3.9
Health Care	5.7	13.2
Consumer Staples	5.4	6.7
Energy	5.3	2.6
Technology	5.0	20.9
Telecommunications	4.2	3.7
Real Estate	2.8	3.5
Other	0.6	0.2

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 (%)

	Fund	Bmk		Fund	Bmk
United States	63.9	64.2	Poland	1.1	0.1
Japan	8.3	8.3	Netherlands	1.0	1.3
United Kingdom	4.5	4.3	Sweden	1.0	1.2
Korea	3.6	1.7	Switzerland	0.9	2.9
France	3.4	2.9	Belgium	0.6	0.3
Canada	2.9	3.1	Austria	0.6	0.1
Germany	2.2	2.8	Australia	0.5	2.2
Italy	1.6	0.7	Finland	0.5	0.4
Hong Kong	1.3	1.0	Norway	0.3	0.2
Spain	1.1	0.7	Other	0.7	1.6

## Glossary

**Median market cap** is the midpoint of market capitalisation (market price multiplied by the number of shares outstanding) of the shares in the fund. Half the shares in the fund will have higher market capitalisation, half will have lower.

**Price/Earnings ratio (P/E ratio)** is a measure of the market value of a share compared to the earnings of the company. A share with a price of \$10, and earnings last year of \$1 a share, would have a P/E ratio of 10. For a fund, the ratio is the weighted average P/E ratio of the shares it holds. In general, a high P/E suggests that investors are expecting higher earnings growth in the future compared to companies with a lower P/E. Companies with negative earnings are excluded from the calculation.

**Price/Book ratio** is calculated by dividing the current market price of the share by the book value per share of the company.

**Return on equity ratio** is a measure of how much profit a company generates relative to its shareholders' equity. For a fund, the ratio is the weighted average return on equity ratio of the shares it holds.

**Earnings growth rate** is a measure of the trailing Earnings Per Share growth for a given company and share. For a fund, the rate is the weighted average earnings growth of the shares it holds.

**Equity yield (dividend)** is the dividend income earned by shares, expressed as a percentage of the market price of those shares. For a fund, the yield is the weighted average equity yield of the shares it holds.

## For more information:

Personal investors can transact in Vanguard ETFs through their financial adviser or stockbroker. Our telephone service is available from 8am to 6pm, Monday-Friday AEST.

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