

Vanguard Global Multi-Factor Fund

Key fund facts	
Management fee	0.35% p.a.
Indirect costs	0.01% p.a.
Buy spread	0.08%
Sell spread	0.08%
Inception date	08 April 2019
Income distribution	Quarterly
Wholesale class size	\$4.5 million
Total fund size	\$21.6 million
Number of holdings	842

Trading information	
APIR code	VAN3759AU
Minimum investment	\$500,000 (No minimums apply for platforms)
Platform availability	For platform availability visit vanguard.com.au/mastertrust

Benchmark information	
Benchmark (Bmk)	FTSE Developed All-Cap in Australian dollars Index ^o
Number of holdings	5,647

Investment objective

Vanguard Global Multi-Factor Fund seeks to provide long-term capital appreciation and aims to outperform the FTSE Developed All Cap Index (with net dividends reinvested) in Australian dollars before taking into account fees, expenses and tax.

Fund overview

The Fund invests in a group of global equity common stocks with the potential to generate higher returns relative to the broad equity market. A rules-based quantitative process is employed to evaluate securities based on three factors:

- Momentum- stocks that exhibit strong recent performance.
- Quality- stocks that exhibit strong profitability and healthy balance sheets.
- Value- stocks with low prices relative to fundamental measures of value.

The portfolio includes a diverse mix of companies representing many different market sectors, industry groups, and countries. The portfolio manager uses a rules-based quantitative model to evaluate all of the securities in an investment universe comprised of large, mid and small capitalisation stocks to construct an equity portfolio that seeks to achieve exposure to these factors. After applying an initial screen to remove the most volatile stocks in the universe, stocks are then selected according to their equally weighted ranking across the three factors.

The investment universe is comprised of securities in the FTSE Developed All-Cap Index (comprised of large, mid and small capitalisation securities in developed markets), and the Russell 3000 Index (comprised of the 3,000 largest publicly held companies in the US, and used to provide more access to US mid and small capitalisation securities). The Fund may also invest in securities that cease to be or are expected to be included in the indices.

Performance return^{A, B} (%)

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	0.59	-0.20	0.57	0.32	0.25
3 months	2.22	3.66	2.13	0.32	1.81
6 months	8.24	10.40	8.05	0.90	7.15
1 year	-9.45	3.22	-9.77	1.33	-11.10
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.)	-3.49	7.21	-3.83	1.52	-5.35

Year to year gross return^{A, B} (%)

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	-12.79	-1.10	2.22	3.66
2020	N/A	N/A	-8.39	3.88
2019	8.79	12.09	N/A	N/A

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	0.2889	\$0.9219

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. Fund gross returns are before management fees and taxes, but after transaction and operational costs. Fund total return is the fund gross return less management fees. Index returns do not allow for taxes, management, transaction and operational costs.
- ^C Past distributions are not an indication of future distributions.
- ^D The Vanguard Global Multi-Factor is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

Vanguard Global Multi-Factor Fund

Characteristics

	Fund	Bmk
Number of holdings	842	5,647
Median market cap	\$15.7B	\$83.0B
Price/Earnings ratio	15.6x	22.9x
Price/Book ratio	1.9x	2.3x
Return on equity ratio	14.4%	15.4%
Earnings growth rate	12.9%	12.3%
Equity yield (dividend)	2.0%	2.1%

Top 10 holdings

1. Target Corp.
2. Apple Inc.
3. Humana Inc.
4. eBay Inc.
5. Walmart Inc.
6. Biogen Inc.
7. S&P Global Inc.
8. Newmont Corp.
9. AbbVie Inc.
10. General Mills Inc.

The top 10 holdings represent 4.9% of the total fund.

Sector allocation (%)

	Fund	Bmk
Industrials	18.3	14.7
Consumer Discretionary	18.0	15.5
Financials	17.1	11.8
Health Care	12.6	13.2
Technology	12.5	20.9
Consumer Staples	8.6	6.7
Basic Materials	7.1	3.9
Telecommunications	2.5	3.7
Energy	1.6	2.6
Other	0.9	0.2
Real Estate	0.7	3.5
Utilities	0.1	3.3

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	63.8	64.2	France	1.3	2.9
Japan	7.9	8.3	Denmark	1.3	0.7
United Kingdom	4.3	4.3	Netherlands	1.2	1.3
Sweden	3.3	1.2	Hong Kong	1.0	1.0
Canada	2.8	3.1	Italy	0.8	0.7
Korea	2.6	1.7	Norway	0.6	0.2
Switzerland	2.5	2.9	Singapore	0.5	0.4
Germany	1.8	2.8	Belgium	0.5	0.3
Australia	1.4	2.2	Poland	0.4	0.1
Finland	1.3	0.4	Other	0.7	1.3

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:

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