

Vanguard Active Emerging Market Equity Fund

Key fund facts	
Management fee	
Base fee	0.88% p.a.
Performance fee	+/-0.1650% p.a.
Indirect costs	0.05% p.a.
Buy spread	0.25%
Sell spread	0.25%
Inception date	03 September 2019
Income distribution	Quarterly
Wholesale class size	\$11.2 million
Total fund size	\$11.2 million
Number of holdings	146

Trading information	
APIR code	VAN0221AU
Minimum investment	\$500,000 (No minimums apply for platforms)
Platform availability	For platform availability visit vanguard.com.au/mastertrust

Benchmark information	
Benchmark (Bmk)	MSCI Emerging Market Index (with net dividends reinvested) in Australian Dollars ^D
Number of holdings	1,387

Investment objective

Vanguard Active Emerging Market Equity Fund, managed by Wellington, seeks to provide long-term capital growth by investing primarily in equity securities of companies located in emerging markets around the world.

Fund overview

The Fund, managed by Wellington, aims to pick the best companies in each industry by employing an industry specific, bottom-up research to anticipate fundamental changes and yield better stock level insights.

Wellington uses a team approach applying the expertise of their global industry analysts (GIA) that have developed in-depth industry expertise in emerging markets in addition to global perspectives.

Each GIA follows a unique investment philosophy, process and analytical framework that is most effective to the industry they cover. The portfolio maintains broad diversification across all industries by tying portfolio industry weights to the index, as well as diversification by investment style, which leads to a core, all-cap, and style-neutral portfolio. Wellington believes this leads to a more consistent return pattern over time.

Performance return^{A, B} (%)

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	1.09	1.53	1.01	0.24	0.77
3 months	4.62	5.24	4.39	0.26	4.13
6 months	10.54	10.47	10.05	0.27	9.78
1 year	2.00	4.02	1.10	1.81	-0.71
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.)	3.89	6.85	2.98	1.72	1.26

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

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	-5.29	-3.06	4.62	5.24
2020	N/A	N/A	-0.41	2.03
2019	10.00	10.77	N/A	N/A

Income distribution^C

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	0.2492	\$1.0134

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 Active Emerging Market Fund is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

Vanguard Active Emerging Market Equity Fund

Characteristics

	Fund	Bmk
Number of holdings	146	1,387
Median market cap	\$52.7B	\$46.2B
Price/Earnings ratio	17.8x	17.0x
Price/Book ratio	1.9x	1.8x
Return on equity ratio	17.6%	16.8%
Earnings growth rate	16.1%	13.9%
Equity yield (dividend)	2.2%	2.4%

Top 10 holdings

1. Alibaba Group Holding Ltd.
2. Tencent Holdings Ltd.
3. Taiwan Semiconductor Manufacturing Co. Ltd.
4. Samsung Electronics Co. Ltd.
5. AIA Group Ltd.
6. MediaTek Inc.
7. Ping An Insurance Group Co. of China Ltd.
8. China Mengniu Dairy Co. Ltd.
9. China Construction Bank Corp.
10. Petroleo Brasileiro SA

The top 10 holdings represent 36.2% of the total fund.

Sector allocation (%)

	Fund	Bmk
Consumer Discretionary	21.2	20.2
Information Technology	20.2	18.5
Financials	17.5	17.1
Communication Services	12.8	12.7
Materials	6.3	6.9
Consumer Staples	5.5	6.1
Health Care	3.7	4.3
Energy	3.5	5.4
Utilities	3.3	2.0
Industrials	3.1	4.4
Real Estate	2.8	2.4
Other	0.1	0.0

Market allocation (%)

	Fund	Bmk		Fund	Bmk
China	39.3	41.9	Indonesia	1.4	1.2
Taiwan	14.6	12.8	Mexico	1.4	1.6
Korea	8.7	12.1	Peru	0.8	0.2
Brazil	6.9	4.6	Thailand	0.8	1.8
India	5.3	8.3	Netherlands	0.7	0.0
Russia	3.3	3.0	Argentina	0.5	0.1
South Africa	3.2	3.5	Czech Republic	0.4	0.1
Hong Kong	2.7	0.0	Kenya	0.4	0.0
Japan	1.5	0.0	Philippines	0.3	0.7
United Kingdom	1.5	0.0	Other	6.3	8.1

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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