

# Vanguard Global Minimum Volatility Fund

Key fund facts	
Management fee	0.35% p.a.
Buy spread	0.12%
Sell spread	0.12%
Inception date	06 July 2015
Income distribution	Quarterly
Wholesale class size	\$11.3 million
Total fund size	\$23.1 million
Number of holdings	182

Trading information	
APIR code	VAN0068AU
Minimum investment	\$500,000

Benchmark information	
Benchmark (Bmk)	FTSE Global All Cap Index (AUD hedged) <sup>D</sup>
Number of holdings	9,048

## Investment objective

Vanguard Global Minimum Volatility Fund seeks to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax.

## Fund overview

The Fund invests primarily in global equities securities, including Australian equity securities, with the objective of providing lower volatility relative to the global equity market. To reduce volatility, Vanguard constructs a portfolio considering the risk and diversification characteristics of securities in the benchmark and seeks to hedge most of the currency exposure resulting from the Fund's foreign equity holdings back to Australian dollars.

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

	Fund gross	Bmk	Fund total	Distb'n	Growth
1 month	-1.85	-2.73	-1.88	2.44	-4.32
3 months	3.41	6.40	3.32	2.57	0.75
6 months	13.57	25.43	13.37	4.33	9.04
1 year	-4.07	5.62	-4.41	4.42	-8.83
3 years (p.a.)	5.02	5.89	4.65	2.16	2.49
5 years (p.a.)	8.29	9.71	7.88	3.02	4.86
10 years (p.a.)	N/A	N/A	N/A	N/A	N/A
Inception (p.a.)	7.43	7.56	7.02	2.86	4.16

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

	Dec - Dec		June - June	
	Fund	Bmk	Fund	Bmk
YTD	-7.46	-1.83	3.41	6.40
2020	N/A	N/A	-3.70	0.07
2019	23.01	25.24	8.90	4.61
2018	-2.56	-8.59	9.52	11.45
2017	16.70	20.54	12.64	20.53

## Income distribution<sup>C</sup>

Quarter ended	Amount (CPU)	Reinvestment price
30 September 2020	3.1557	\$1.2373

## Notes

- <sup>A</sup> Past performance is not an indication of future performance.
- <sup>B</sup> 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.
- <sup>C</sup> Past distributions are not an indication of future distributions.
- <sup>D</sup> The Vanguard Global Minimum Volatility Fund is actively managed and does not intend to track or replicate the performance of the benchmark. Benchmark data is for reference only.

# Vanguard Global Minimum Volatility Fund

## Characteristics

	Fund	Bmk
Number of holdings	182	9,048
Median market cap	\$20.4B	\$76.2B
Price/Earnings ratio	21.4x	21.9x
Price/Book ratio	2.3x	2.2x
Return on equity ratio	16.0%	15.5%
Earnings growth rate	8.5%	12.6%
Equity yield (dividend)	2.3%	2.2%
Volatility	12.1%	16.3%

## Top 10 holdings

1. Cable One Inc.
2. Amgen Inc.
3. Brown & Brown Inc.
4. Alibaba Group Holding Ltd.
5. Taiwan Semiconductor Manufacturing Co. Ltd.
6. Johnson & Johnson
7. Verizon Communications Inc.
8. Walmart Inc.
9. Japan Post Bank Co. Ltd.
10. Tyler Technologies Inc.

The top 10 holdings represent 14.9% of the total fund.

## Sector allocation (%)

	Fund	Bmk
Technology	17.2	21.2
Health Care	14.6	12.3
Industrials	14.2	13.8
Consumer Discretionary	12.1	15.8
Financials	11.8	12.5
Consumer Staples	10.7	6.6
Telecommunications	9.7	3.7
Utilities	5.8	3.3
Basic Materials	2.1	4.1
Other	1.3	0.2
Energy	0.5	3.0

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	54.7	57.2	Italy	1.1	0.6
Japan	8.3	7.3	Denmark	1.1	0.6
China	7.7	4.9	Finland	0.7	0.4
Switzerland	5.2	2.6	Singapore	0.7	0.3
Australia	4.0	2.0	India	0.7	1.2
Canada	3.1	2.8	Belgium	0.6	0.3
Korea	3.1	1.5	Israel	0.4	0.1
United Kingdom	2.7	3.8	Norway	0.4	0.2
Taiwan	2.5	1.8	Germany	0.3	2.5
Hong Kong	2.3	0.9	Other	0.4	9.0

## 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.

### Volatility

3 year standard deviation of monthly returns.

## For more information:

Our telephone service is available from 8am to 6pm, Monday-Friday AEST.

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