

Quantitative Equity Group

The team behind the funds

Antonio Picca, PhD: Hi, I am Antonio Picca, and I manage Vanguard's factor funds.

Our factor funds are designed with advisers in mind, and we are really excited to offer them as a new tool in the low-cost investing toolkit.

So let's talk about the team behind these funds – my team – the Quantitative Equity Group. We manage a portion of Vanguard's US\$1 trillion in active assets. We are a team of highly-credentialed experts with an average industry tenure of 14 years – and it is our collaborative approach to active management that sets us apart.

Our factor-based strategies are designed to deliver the strongest and most consistent factor exposure, in a highly diversified, low-cost, transparent and long-only format.

Our disciplined methodology weights stocks according to the strength of their factor characteristics. That means that we do not have to rely on fundamental research on individual companies.

We aim to reduce concentration risk by investing in hundreds of stocks across the entire market-capitalisation spectrum.

Our transparent, rules-based approach to portfolio management, coupled with our daily holdings disclosure, can help ease your due-diligence efforts.

And of course we are Vanguard – we always focus on lower costs. Our in-house active implementation allows us to reduce costs by lowering index licensing fees and giving us greater portfolio management flexibility.

Our active implementation also allows us to control factor-exposure drift. We assess our exposures daily, but only rebalance the portfolios when needed, in order to reduce factor exposure decay.

With the factor funds, we aim to deliver the best of both worlds: Flexible and efficient targeting of desired factors, coupled with a clear understanding of how we define factors and how we build portfolios.

The design and control behind our factor funds make them great complements to a broad market exposure, allowing you to customise your factor exposure tilts to help your clients meet their long-term investment goals.

Meet the speaker

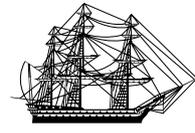


Antonio Picca, PhD
Head of Factor-
Based Strategies

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Important Information

Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility. Diversification does not ensure a profit or protect against a loss. All investing is subject to risk, including possible loss of principal. Past performance is not indicative of future results. Factor funds are subject to investment style risk, which is the chance that returns from the types of stocks in which the fund invests will trail returns from broader stock markets. Factor funds are subject to manager risk, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

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