

**Vanguard**

# Visionary Advisers & Vanguard Investments

Presented by Aditi Grover



# We're a different kind of investment firm

With over 45 years of global investment management experience, \$10.6 trillion in assets under management and over 30 million clients worldwide – we have always believed in keeping costs low, so investors keep more of their returns.



# Agenda

- 01 Who is Vanguard?
- 02 The Vanguard Difference.
- 03 Principles to maximise your chance of Investment Success

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# The Vanguard story

To take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.



**John C. Bogle**  
Founder

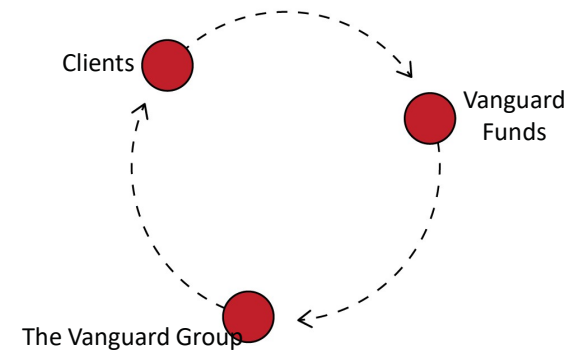


**Tim Buckley**  
CEO and Chairman



## Vanguard's client owned structure\*

Lower costs, no conflicting loyalties and long-term focus



## Key Facts

**45+**  
years

**30m**  
clients

**18.8k**  
crew

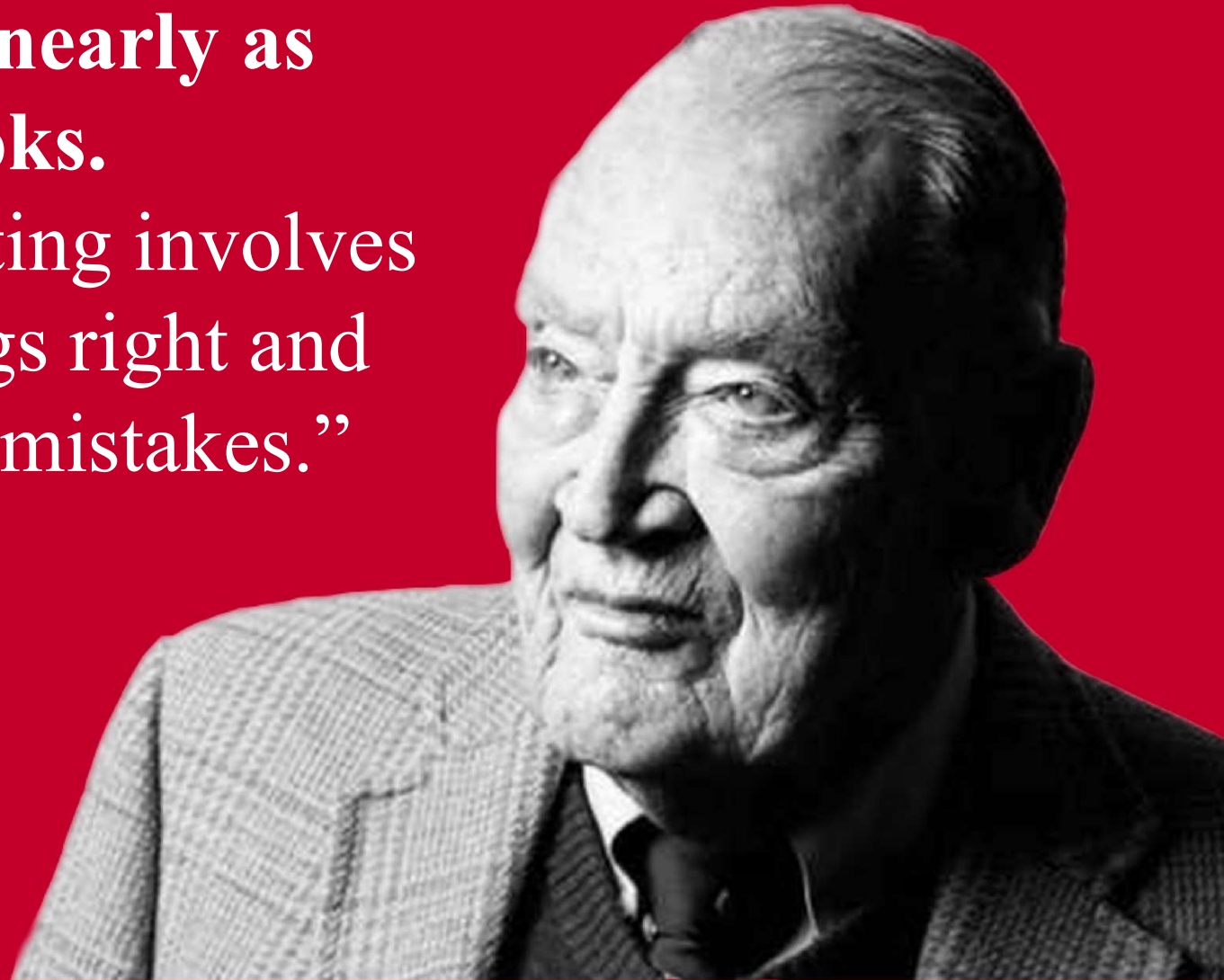
**19**  
global locations

\* The Vanguard Group, Inc. is owned by its U.S.-domiciled funds, which are owned by their shareholders. Source: Vanguard, 30 September 2022.

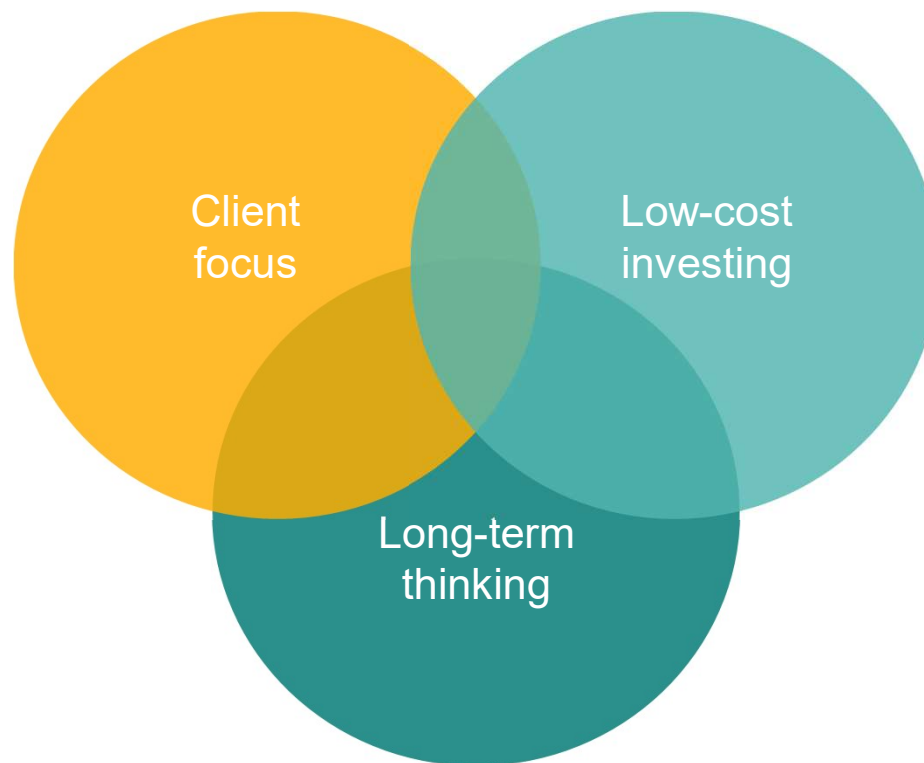
**“Investing is not nearly as difficult as it looks. Successful investing involves doing a few things right and avoiding serious mistakes.”**

— JACK BOGLE  
FOUNDER OF VANGUARD

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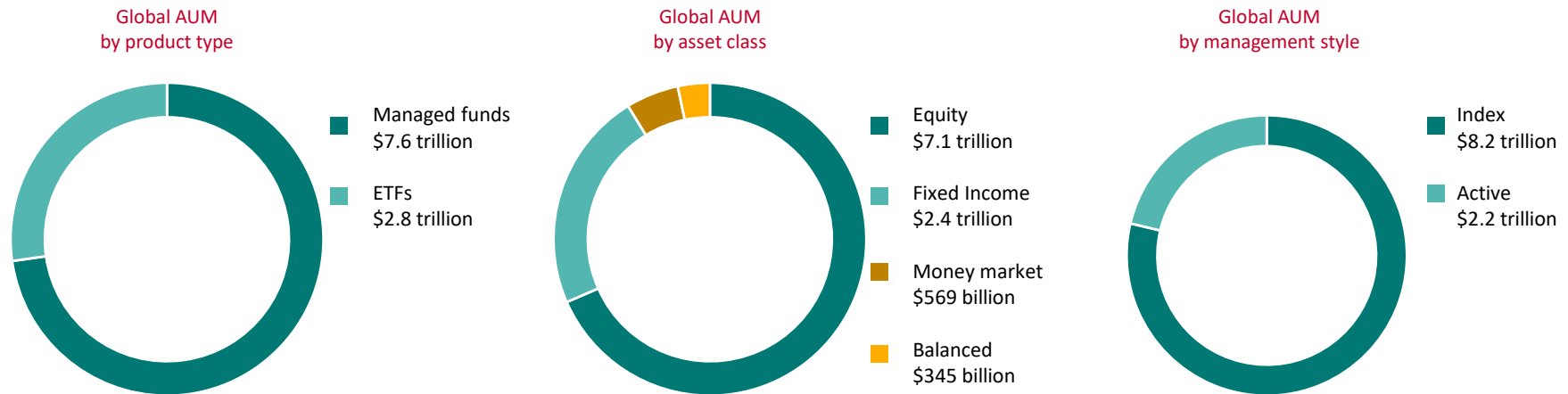
## Three things that make us different



# Vanguard – one of the world’s leading global investment manager companies



With AUD 10.4 trillion in global assets under management

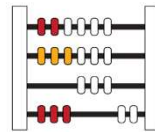
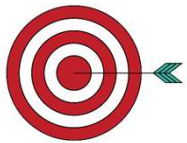


**USD 299.4 billion** global net cash flow in 2021



# 4 Important principles to maximise your chance of investment success

# Vanguard's Investment Principles



1

## Goals

Create clear, appropriate investment goals

2

## Discipline

Maintain perspective and long-term discipline

3

## Diversify

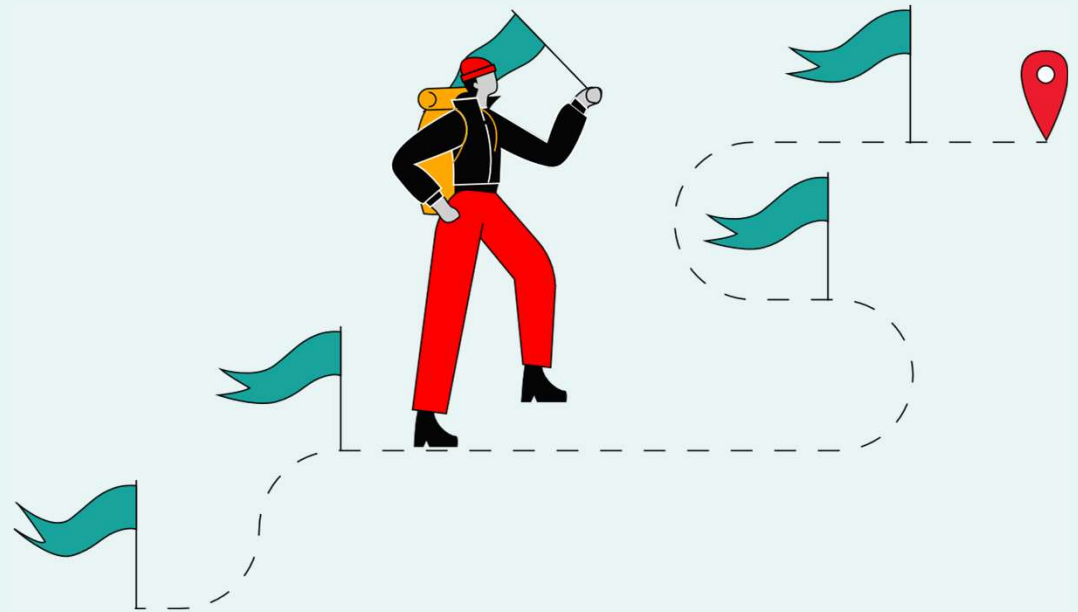
Develop a suitable asset allocation using broadly diversified funds

4

## Control what you can

Minimise cost

# 1. Goal setting



# Goal setting

Picture your life in 10 years...

What do you want it to look like?

How about in 20 or 30 years?

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## Short term

Anything you want to achieve in the next 1-3 years

- Consider keeping in cash
- Example: an emergency fund

## Medium term

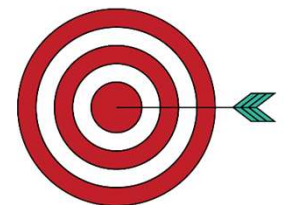
Anything you want to achieve in the next 4-6 years

- Example: a home deposit

## Long term

Anything you want to achieve in the next 7+ years

- Example: retirement



## 2. Stay the course



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# Staying with a Long-Term Investment Plan

## 2022 Vanguard Index Chart

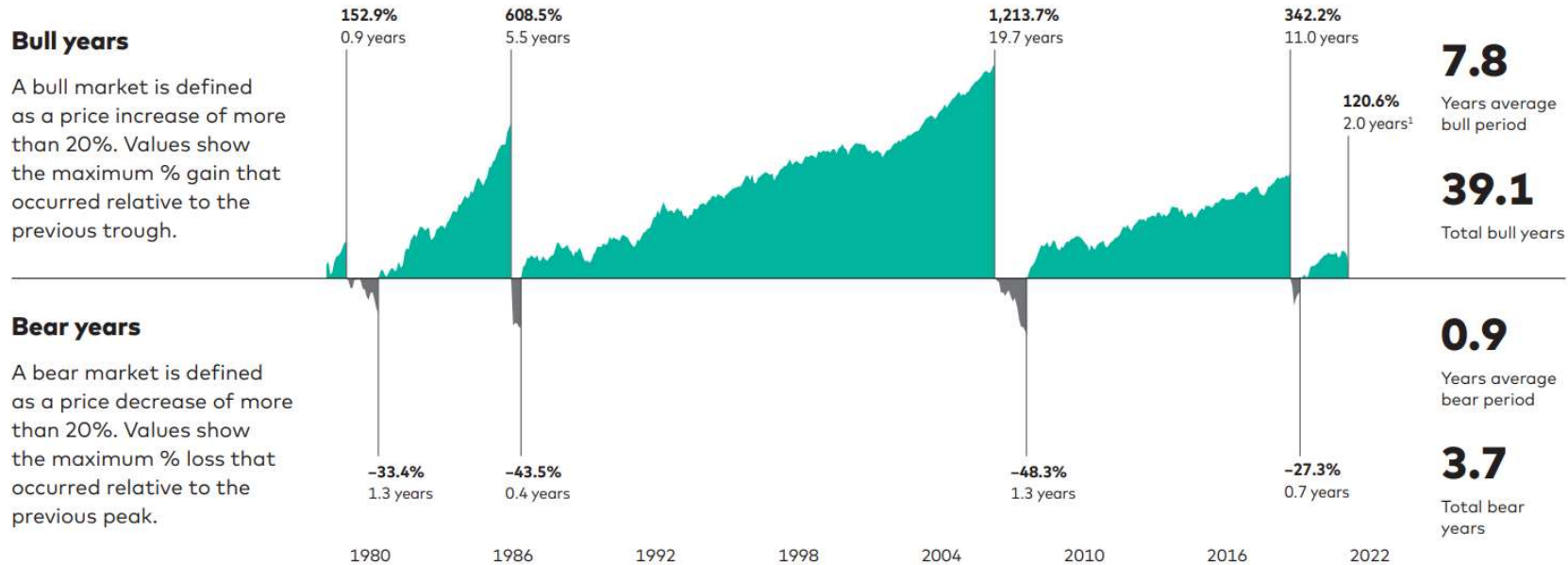
Market returns – 1 July 1992 to 30 June 2022

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# A timeline of bull and bear markets

How bull and bear markets have impacted returns over the past 40+ years



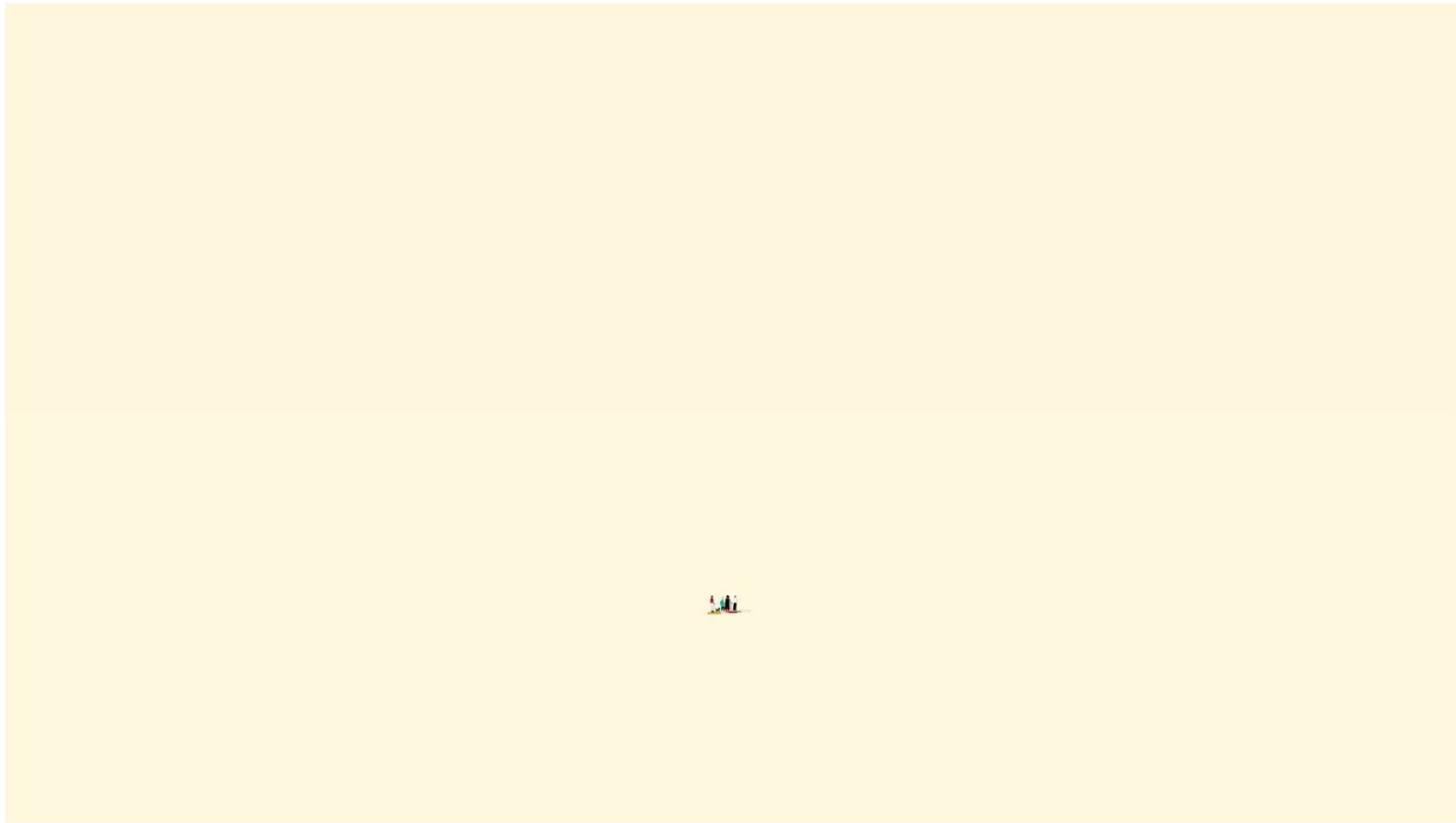
Notes: 1. The latest bull run is still ongoing. The calculations represent the price increase and period up to 30 June 2022. Calculations are based on the S&P All Ordinaries Index for the period 1/1/1980 to 30/6/2022. The plotted areas depict the losses/gains ranging from the minimum following a 20% loss to the respective maximum following a 20% appreciation in the underlying index. Calculations based on monthly data. Logarithmic scales are used for this illustration. All distributions are reinvested. Sources: Morningstar data and Vanguard.

# 3. Diversify





## Power of diversification



# The importance of diversification: Consistently picking winners is difficult



Annual asset class returns for the year ended December 2021

Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Intl Equities: DM H	11.4%	32.8%	32.3%	27.7%	14.4%	13.2%	27.1%	4.5%	26.8%	10.6%	31.1%
Intl Equities: EM	10.5%	26.3%	19.7%	26.8%	6.0%	11.8%	20.0%	3.3%	23.8%	7.8%	27.0%
Global Agg H	5.0%	19.7%	13.0%	12.6%	3.8%	11.7%	11.9%	1.9%	22.6%	5.1%	23.9%
Aus Fixed Interest	1.9%	18.7%	7.3%	10.4%	3.3%	10.3%	6.4%	1.6%	19.6%	4.5%	17.5%
Aus Equities	-1.6%	16.7%	6.3%	9.8%	2.8%	6.7%	6.3%	-3.1%	18.6%	1.7%	3.4%
Cash	-1.9%	9.7%	2.9%	6.9%	2.6%	5.2%	3.7%	-4.3%	7.3%	0.4%	0.0%
Aus Property	-11.0%	7.7%	2.3%	5.3%	2.3%	2.9%	3.7%	-5.1%	7.2%	-4.0%	-1.5%
Intl Property H	-18.4%	4.0%	2.0%	2.7%	-4.3%	2.1%	1.7%	-7.6%	1.5%	-13.3%	-2.9%

Source: Vanguard Investment Strategy Group analysis using index data from Bloomberg, Barclays, FTSE, MSCI, S&P & UBS.

Notes: Australian equities is the S&P/ASX 300 Index; Australian Property is the S&P/ASX 300 A-REIT Index; International Property Hedged = FTSE EPRA/NAREIT Dev x Au Hedged into \$A from 2013 and UBS Global Investors ex Australia AUD hedged Index prior to this; International Shares Hedged is the MSCI World ex-Australia Index Hedged into \$A; Emerging Markets Shares is the MSCI Emerging Markets Index; Australian Bonds is the Bloomberg Ausbond Composite Bond Index; Global Aggregate Bonds = Bloomberg Barclays Global Aggregate Index Hedged into \$A; Cash = Bloomberg AusBond Bank Bill Index.

**“Compound interest is the eighth wonder of the world.**

**(S)he who understands it, earns it...**

**(S)he who doesn't...**

**pays it.”**

— ALBERT EINSTEIN

## 4. Control what you can – Minimise costs



# Minimise cost

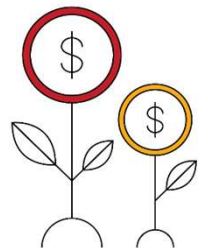
An index fund is a type of managed fund or ETF that looks to closely match the performance of a specific market benchmark or “index” such as the S&P/ASX 300.

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Minimising cost is a critical part of every investor’s toolkit.

This is because costs are largely controllable.

- Higher costs eat into return
- Creates a gap between market return and actual return
- Lower-cost providers tend to perform better over time
- Index investing can be a useful tool to help control cost



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