

VNQ

Vanguard Real Estate ETF

Analyst Report

The Vanguard Real Estate Trust (VNQ) offers broad exposure to U.S. equity REITs, alongside a small allocation to specialized REITs and real estate firms. Real estate has historically been embraced because of its ability to deliver excess returns during bull markets and for its low correlation with traditional stock and bond investments. REITs might appeal to investors seeking current income, as these trusts must distribute at least 90% of their income to investors. The fund offers an efficient way for investors to gain indirect exposure to real estate prices (as opposed to direct exposure gained through ownership of a residential property).

VNQ has several competitors in the low-cost REIT space, including the JPMorgan BetaBuilders MSCI US REIT ETF (BBRE) and the Schwab U.S. REIT ETF (SCHH). As of June 2020, VNQ charges a significantly lower management fee than the iShares U.S. Real Estate ETF (IYR), long a giant in the segment.

Before February 1, 2018, VNQ tracked the MSCI US REIT Index. Vanguard changed the underlying index of VNQ to allow the fund to augment its REIT holdings with certain specialized REITs as well as real estate management and development companies. Investors who preferred VNQ's earlier iteration can look to BBRE, which as of June 2020 tracked VNQ's former index.

ESG Themes and Scores

6.49/10

ESG Rate

47.8%

Global Percentile

69.23%

Peer Percentile

Performance Data

	VNQ	ETF Database Category Average	Factset Segment Average
1 Month	5.09%	4.90%	5.05%
3 Month	11.08%	11.60%	10.75%
YTD Return	12.94%	13.59%	13.06%
1 Year Return	13.23%	13.19%	12.55%
3 Year Return	9.72%	8.22%	7.71%
5 Year Return	3.05%	2.17%	2.25%

Top 5 Holdings

Symbol	Holding	% Assets
WELL	Welltower Inc.	8.96%
PLD	Prologis, Inc.	8.35%
EQIX	Equinix, Inc.	6.58%
AMT	American Tower Corporation	5.44%
SPG	Simon Property Group, Inc.	4.16%

Vitals

Issuer	Vanguard
Brand	Vanguard
Structure	ETF
Expense Ratio	0.13%
Inception	Sep 23, 2004
Index Tracked	MSCI US Investable Market Real Estate 25/50 Index

ETF Database Themes

Category	Real Estate
Asset Class	Real Estate
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. Real Estate
Category	Sector
Focus	Real Estate
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap

