

VPU

Vanguard Utilities ETF

Analyst Report

This Vanguard ETF offers exposure to the domestic utilities sector, a corner of the U.S. market that has historically exhibited low volatility and often features an attractive distribution yield. As a sector-specific ETF, VPU is probably more appealing to investors looking to establish a shorter-term tactical tilt or make a sector rotation play than it is to those building a long-term, buy-and-hold portfolio (though utilities generally receive a relatively small weight in broad-based equity ETFs, meaning that a complementary holding could result in more balanced sector weightings).

Like most Vanguard ETFs, VPU is among the cheapest options available for investors seeking exposure to the asset class represented (XLU and FUI are also low cost options for utilities exposure). This ETF may be available for commission free trading in Vanguard accounts, potentially increasing the appeal to cost conscious investors. Another noteworthy element of this ETF is the impressive depth of holdings; VPU has considerably more individual stocks than XLU. This ETF does a relatively good job of offering up balanced exposure; though a few stocks account for significant chunks of assets, the concentration is not as significant as in some other products (those seeking to avoid cap-weighting might prefer RYU as a tool for achieving access to the utilities sector).

ESG Themes and Scores

7.2/10

ESG Rate

77.16%

Global Percentile

40.62%

Peer Percentile

Performance Data

	VPU	ETF Database Category Average	Factset Segment Average
1 Month	6.28%	3.80%	5.61%
3 Month	-0.06%	2.32%	0.54%
YTD Return	8.18%	11.82%	7.96%
1 Year Return	15.57%	17.83%	12.99%
3 Year Return	15.05%	14.17%	13.64%
5 Year Return	10.42%	8.68%	9.36%

Top 5 Holdings

Symbol	Holding	% Assets
NEE	NextEra Energy, Inc.	11.73%
SO	Southern Company	6.71%
DUK	Duke Energy Corporation	6.17%
CEG	Constellation Energy Corporation	5.73%
AEP	American Electric Power Company, Inc.	4.45%

Vitals

Issuer	Vanguard
Brand	Vanguard
Structure	ETF
Expense Ratio	0.09%
Inception	Jan 26, 2004
Index Tracked	MSCI US Investable Market Utilities 25/50 Index

ETF Database Themes

Category	Utilities Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Value
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

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

