Vanguard S&P 500 ETF

US Large Cap Blend Stock

Key Metrics

Ticker	VOO
Inception Date	2010-09-07
Asset Class	US Equity
Peer Group	S&P 500 Index Funds
Max Manager Tenure	7.51
Turnover Ratio	0.02
AUM (Mil.)	$657,336
Benchmark	S&P 500 Total Return
Dividend Yield	1.26%
Expense Ratio	0.03%

Description

The Vanguard S&P 500 ETF (VOO) is a passively managed exchange-traded fund designed to track the performance of the S&P 500 Index, which represents 500 of the largest and most influential U.S. companies. Launched in 2010, VOO offers investors instant diversification across a broad swath of the U.S. equity market, spanning sectors from technology and healthcare to consumer staples and financials. The fund's objective is to closely mirror the returns of the S&P 500 by holding the same stocks in the same proportions as the index, making it a foundational building block for long-term, growth-oriented portfolios.

Parent

Vanguard is the world's second-largest ETF provider and the largest mutual fund manager, overseeing $10.4 trillion in global assets as of January 2025[3]. Founded in 1975 by John C. Bogle, Vanguard pioneered index investing for individual investors and remains client-owned, meaning its funds-and by extension, its investors-own the company[3]. This unique structure ensures that Vanguard's interests are aligned with those of its shareholders, fostering a culture that prioritizes low costs, research-driven investment, and long-term results. Vanguard's scale, deep research resources, and history of closing strategies when at capacity give it a sustainable competitive advantage. Over the past decade, a high percentage of Vanguard funds have outperformed their benchmarks, reflecting a strong success ratio and an investment-driven culture.

People

VOO is managed by Vanguard's Equity Index Group, a team of experienced portfolio managers and analysts specializing in index replication. While individual managers are not typically named for index ETFs, the group leverages decades of collective experience in index tracking, risk management, and trading efficiency. Portfolio managers are responsible for ensuring precise index replication, managing cash flows, and minimizing tracking error. All are significant investors in Vanguard funds, further aligning their interests with shareholders.

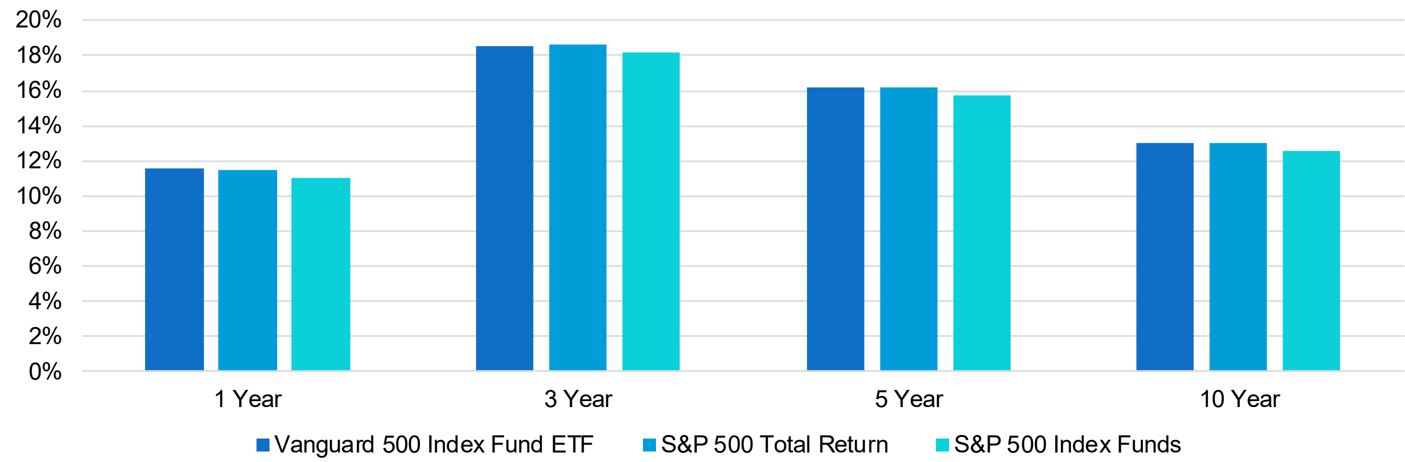
Process

VOO employs a disciplined, rules-based, and fully transparent process:

- **Full Replication**: The fund holds all 500 stocks in the S&P 500 Index in the same proportions as the index, ensuring tracking accuracy.
- **Quarterly Rebalancing**: The portfolio is rebalanced in line with S&P 500 changes, maintaining sector and stock weights as prescribed by the index.
- **Diversification Rules**: No single position exceeds 7% of NAV, and sector weights closely mirror the S&P 500, minimizing concentration risk.
- **Turnover**: Portfolio turnover is low, typically under 5% annually, which helps minimize trading costs and tax implications.
- **Liquidity and Risk Management**: The ETF structure ensures high liquidity, and the fund is stress-tested and compliant with SEC diversification and liquidity rules.
- **Style Consistency**: Strict limits on cash and non-core assets; the fund remains nearly fully invested in equities at all times.

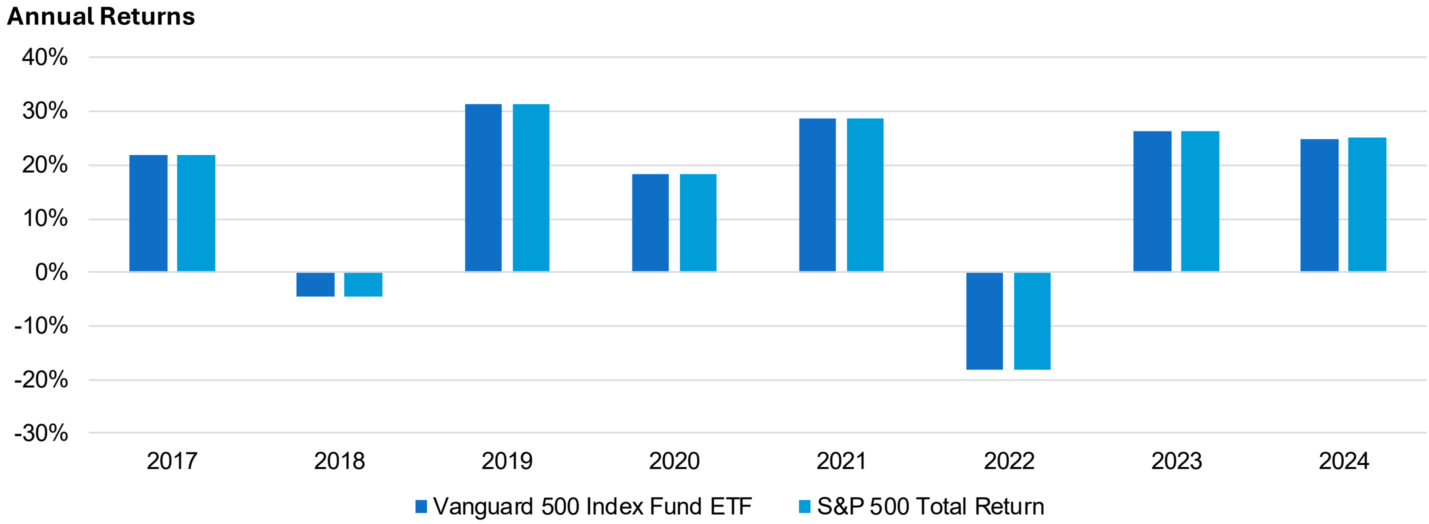
Performance

Trailing Returns



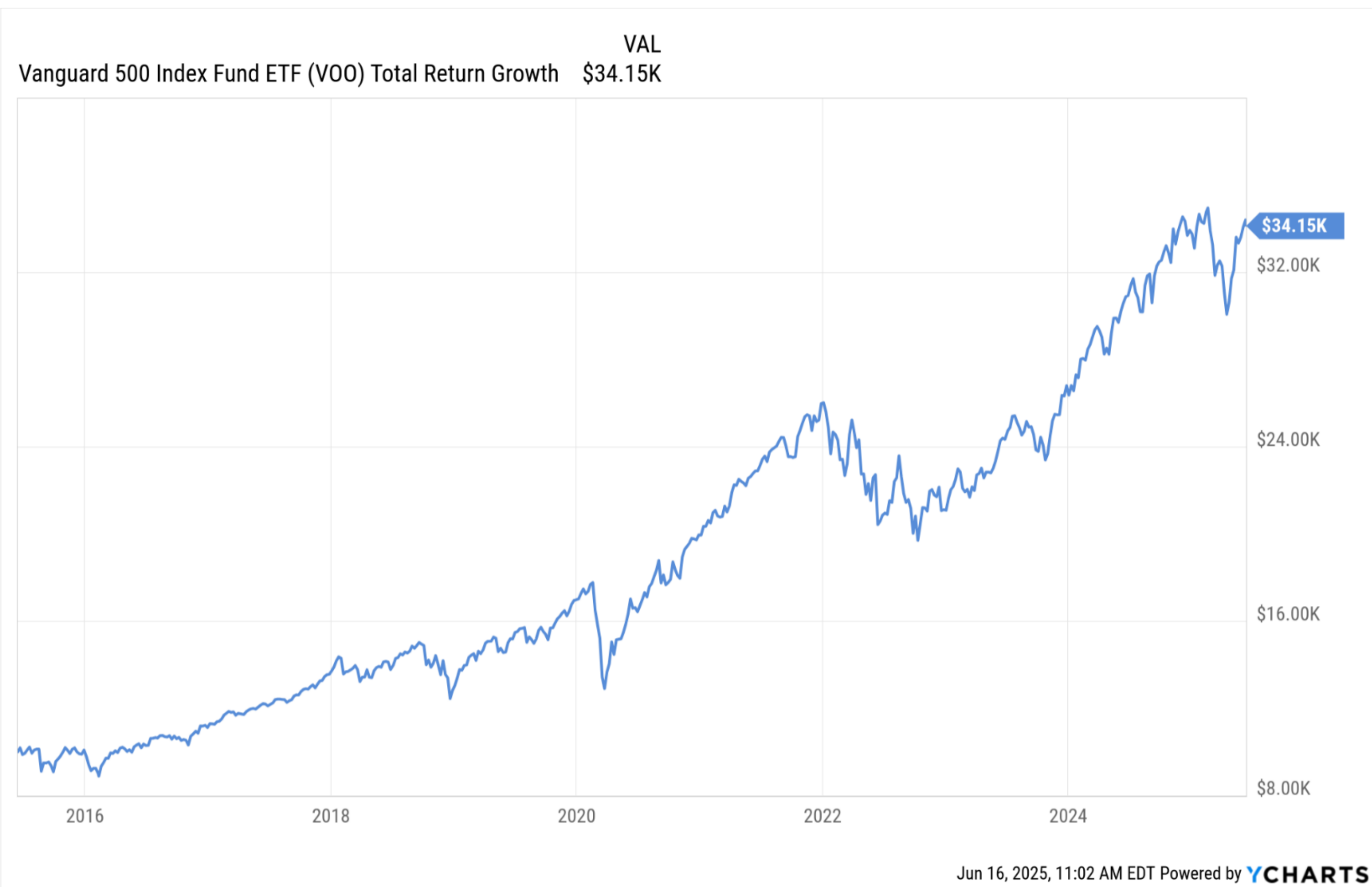
	1 Year	Rank	3 Year	Rank	5 Year	Rank	10 Year	Rank
Vanguard 500 Index Fund ETF	11.54%	11	18.58%	14	16.19%	12	13.01%	8
S&P 500 Total Return	11.50%	---	18.62%	---	16.22%	---	13.05%	---
S&P 500 Index Funds	11.06%	---	18.14%	---	15.75%	---	12.58%	---

Annual Performance



	2017	2018	2019	2020	2021	2022	2023	2024
Vanguard 500 Index Fund ETF	21.77%	-4.50%	31.35%	18.29%	28.78%	-18.19%	26.32%	24.98%
S&P 500 Total Return	21.83%	-4.38%	31.49%	18.40%	28.71%	-18.11%	26.29%	25.02%

Growth of $10,000 Investment

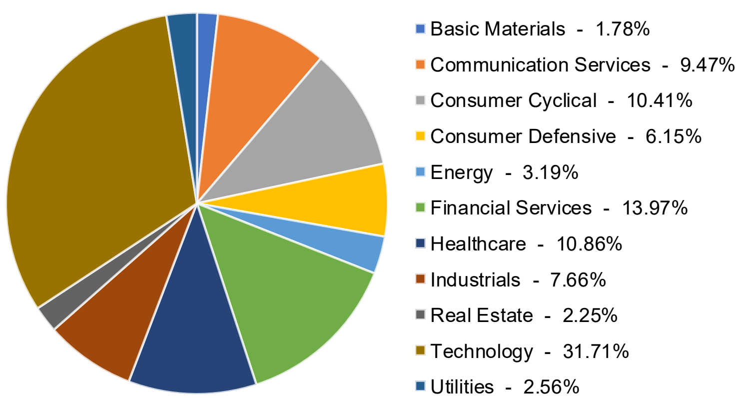


Source: Ycharts. Past performance is no guarantee of future results. All returns shown are historical and reflect the reinvestment of dividends and capital gains. The hypothetical growth of $10,000 is for illustrative purposes only and does not represent an actual investment. Investment returns and principal value will fluctuate, and investors may experience gains or losses. Performance does not reflect the impact of taxes, advisory fees, or transaction costs, which would reduce returns. Please consult a financial professional before making investment decisions.

VOO has closely tracked the S&P 500 over all periods, with minimal tracking error due to its low expense ratio and full replication approach.

Current Positioning

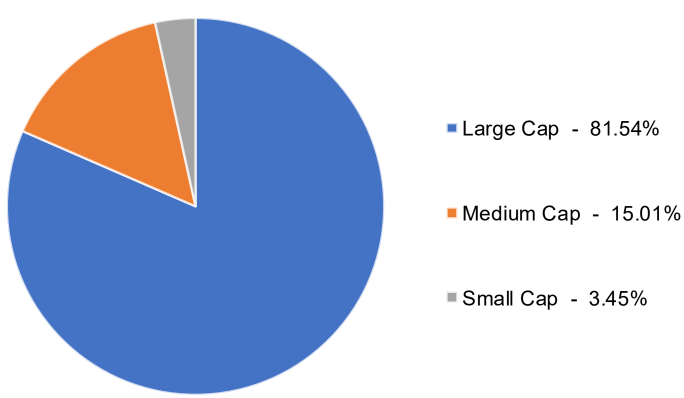
Sector Exposure



Style Exposure

	Value	Blend	Growth
Large	25.48%	35.89%	19.91%
Mid	5.19%	9.41%	3.32%
Small	0.36%	0.40%	0.05%

Cap Exposure



Top 15 Holdings

Name	Weight
Apple Inc	7.03%
Microsoft Corp	5.88%
NVIDIA Corp	5.59%
Amazon.com Inc	3.78%
Meta Platforms Inc	2.66%
Berkshire Hathaway Inc	2.06%
Alphabet Inc	1.90%
Broadcom Inc	1.65%
Alphabet Inc	1.56%
Tesla Inc	1.53%
JPMorgan Chase & Co	1.44%
Eli Lilly and Co	1.37%
Visa Inc	1.27%
Exxon Mobil Corp	1.09%
UnitedHealth Group Inc	1.01%

As of March 2025, VOO's portfolio is broadly diversified:

- **Top Holdings**: Apple, Microsoft, NVIDIA, Amazon, Alphabet, Berkshire Hathaway, Meta Platforms, Eli Lilly, Broadcom, and JPMorgan Chase-together comprising about 30% of assets.

- **Sector Allocation**: Technology (~29%), Health Care (~13%), Financials (~12%), Consumer Discretionary (~10%), Communication Services (~9%), Industrials (~8%), Consumer Staples (~7%), Energy (~4%), Utilities (~3%), Real Estate (~2%), Materials (~2%).
- **Market Cap Focus**: Predominantly large-cap U.S. equities, with some mid-cap exposure due to the S&P 500's construction.
- **Cash Position**: Minimal, as the fund remains nearly fully invested at all times.

Price

VOO's expense ratio is just 0.03%, among the lowest in the ETF industry. There are no sales loads or minimum investment requirements, and the ETF structure allows for efficient, intraday trading. This ultra-low fee is justified by the fund's scale, precise index tracking, and robust long-term performance, offering exceptional value for investors seeking broad market exposure.

Risk

	Sharpe			Standard Deviation			Max Drawdown		
	3 Year	5 Year	10 Year	3 Year	5 Year	10 Year	3 Year	5 Year	10 Year
Vanguard 500 Index Fund ETF	0.63	0.86	0.68	15.58%	15.32%	16.05%	24.53%	24.53%	34.01%
S&P 500 Total Return	0.63	0.86	0.68	15.59%	15.30%	16.00%	24.49%	24.49%	33.79%

Key risks for VOO include:

- **Market Risk**: As a fully invested equity fund, VOO will experience volatility and drawdowns in line with the U.S. stock market.
- **Concentration Risk**: The top 10 holdings account for about 30% of assets, so performance is influenced by the largest companies.
- **Sector Risk**: Heavy weighting to technology and other growth sectors may lead to underperformance if these sectors lag.
- **Tracking Error**: While minimal, there may be slight deviations from the index due to fees and trading costs.
- **No Small-Cap or International Exposure**: VOO covers only large- and some mid-cap U.S. stocks; investors seeking broader diversification should consider complementing with small-cap or international funds.

Vanguard mitigates these risks through broad diversification, low turnover, and rigorous index replication, but investors should expect volatility consistent with the S&P 500.

Conclusion

The Vanguard S&P 500 ETF (VOO) is a premier solution for investors seeking low-cost, diversified exposure to the U.S. large-cap equity market. Its full replication approach, ultra-low expense ratio, and strong alignment with shareholder interests through Vanguard's unique structure make it a foundational holding for long-term portfolios. While VOO is subject to market and sector risks inherent in equities, its transparency, liquidity, and historical performance provide a resilient, efficient path to building wealth over time.

Sources

- Vanguard S&P 500 ETF official page and fact sheet
- The Vanguard Group
- Vanguard S&P 500 ETF SAI and Prospectus
- Vanguard for Advisors, VOO ETF Profile

Disclosures:

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Investing involves risk, *including the potential loss of principal. Past performance is not indicative of future results. Investment returns will fluctuate, and investors may receive more or less than their original investment upon redemption.*

ETF shares are bought and sold at market price (not NAV) and may trade at a premium or discount. Brokerage commissions and trading costs may apply. ***Diversification does not guarantee a profit or prevent loss.***

Before investing, investors should carefully review the fund's prospectus, which includes information about investment objectives, risks, charges, and expenses. ***Prospectuses are available from the fund provider's website*** *and should be read carefully before investing.*

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