Vanguard S&P 500 ETF

US Large Cap Blend Stock

Key Metrics

January 9, 2026

Ticker	VOO
Inception Date	2010-09-07
Asset Class	US Equity
Peer Group	S&P 500 Index Funds
Max Manager Tenure	8
Turnover Ratio	2%
AUM (Mil.)	$833,229
Benchmark	S&P 500 Total Return
Dividend Yield	1.11%
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 S&P 500 ETF is managed by Vanguard, one of the world's largest asset managers and the pioneer of the index mutual fund, operating under a unique client-owned structure where U.S. funds own the management company. This arrangement means profits are generally returned to fund shareholders through lower expense ratios, aligning the organization's incentives closely with investors and reinforcing a culture that prioritizes investment outcomes over asset gathering for its own sake. Vanguard's scale, long history with index strategies, and emphasis on low costs and straightforward products underpin a strong reputation in passive equity management.

The Equity Index Group at Vanguard oversees VOO and other index portfolios, supported by a substantial investment operations and risk-management infrastructure. Portfolio managers work within a rules-based framework to track the S&P 500 effectively, while dedicated trading and technology teams help implement changes efficiently and manage index events, corporate actions, and cash flows. Organizationally, this group benefits from decades of experience running S&P 500 index strategies, a stable team, and robust systems designed to minimize tracking error and trading costs.

Vanguard's sustainable competitive advantage in VOO lies in its combination of client-owned structure, very low expense ratios, and deep experience with large-scale index implementation. The firm's investment culture is clearly oriented toward long-term, low-cost investing rather than product proliferation or short-term marketing trends, and it routinely passes economies of scale to shareholders via fee reductions rather than using additional scale to widen margins. Because VOO tracks a broad, highly liquid index using full replication, capacity is effectively unconstrained for practical purposes, and the fund has grown to more than one trillion dollars in assets without needing to close to new investors.

People

The day-to-day management of VOO is handled by Vanguard's Equity Index Group, a team-based unit responsible for a range of index equity strategies, including the 500 Index Fund. Named portfolio managers typically include senior index specialists such as those who oversee both mutual fund and ETF share classes of the S&P 500 strategy, with responsibilities that encompass portfolio monitoring, trade oversight, and ensuring that the fund remains tightly aligned with the target index. These managers generally have extensive experience within Vanguard and in index portfolio management, often with more than a decade in the industry and at the firm, reflecting continuity and a deep understanding of the operational demands of large index portfolios.

The portfolio managers are supported by a broader group of traders, quantitative analysts, and operations professionals who help manage index changes, rebalances, corporate actions, and cash flows. This team leverages proprietary trading tools and risk systems to minimize tracking error and transaction costs, while Vanguard's centralized risk-management and compliance functions oversee adherence to investment guidelines, index replication rules, and regulatory requirements. Compensation for index portfolio managers and key staff is typically tied to long-term fund performance relative to the benchmark (including tracking error and implementation quality), adherence to risk parameters, and contributions to the investment organization, and firm materials emphasize that investment personnel commonly invest in Vanguard funds, helping to align their interests with those of shareholders.

Process

VOO follows a straightforward, repeatable indexing process designed to closely track the S&P 500 before fees and expenses. The fund uses full replication, investing all or substantially all of its assets in the stocks that make up the index, and generally holds each security at its market-cap weight, which allows the portfolio's sector and factor exposures to mirror those of the benchmark. This approach avoids the need for subjective security selection or macro calls and instead focuses on minimizing tracking error and implementation costs through precise, systematic execution.

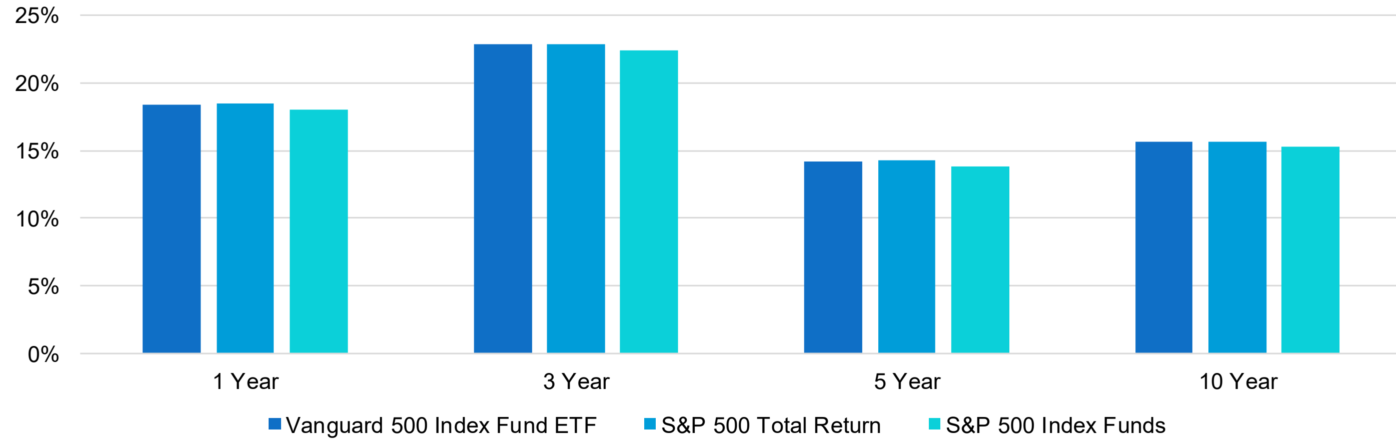
Changes to the portfolio occur primarily when S&P Dow Jones Indices updates the S&P 500 constituents or when corporate actions such as mergers, spin-offs, or share issuance change the index's composition and weights. Vanguard's index team manages these events using disciplined trading techniques, often spreading trades over time or using crossing networks and other liquidity tools to reduce market impact. Portfolio turnover is very low—around 2.3% in the latest fiscal year—reflecting the stability of the underlying index and helping to minimize transaction costs and taxable distributions.

From a structural standpoint, VOO invests almost exclusively in U.S. large-cap common stocks, with negligible exposure to cash and no meaningful allocation to derivatives under normal circumstances. The prospectus permits the use of futures or other derivatives in limited circumstances for efficient portfolio management, such as equitizing cash or facilitating index transitions, but these tools are ancillary rather than central to the strategy. Diversification rules reflect the broad nature of the S&P 500:

no individual stock dominates the portfolio, and sector allocations follow index weights, which spreads risk across multiple industries and companies.

Performance

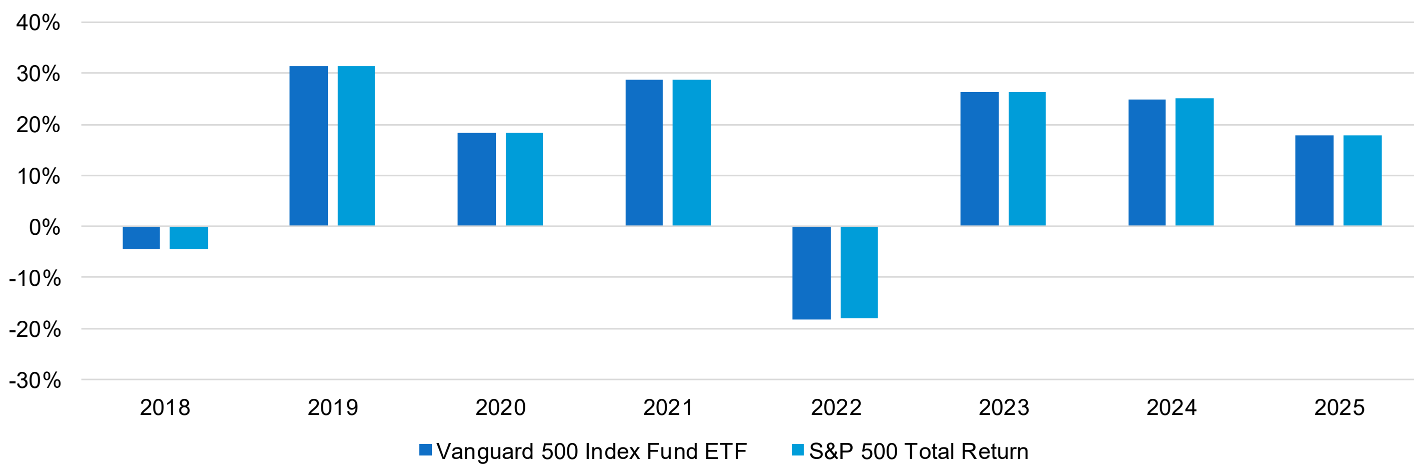
Trailing Returns



	1 Year	Rank	3 Year	Rank	5 Year	Rank	10 Year	Rank
Vanguard 500 Index Fund ETF	18.39%	5	22.82%	13	14.21%	11	15.61%	9
S&P 500 Total Return	18.46%	---	22.87%	---	14.26%	---	15.65%	---
S&P 500 Index Funds	17.98%	---	22.37%	---	13.79%	---	15.27%	---

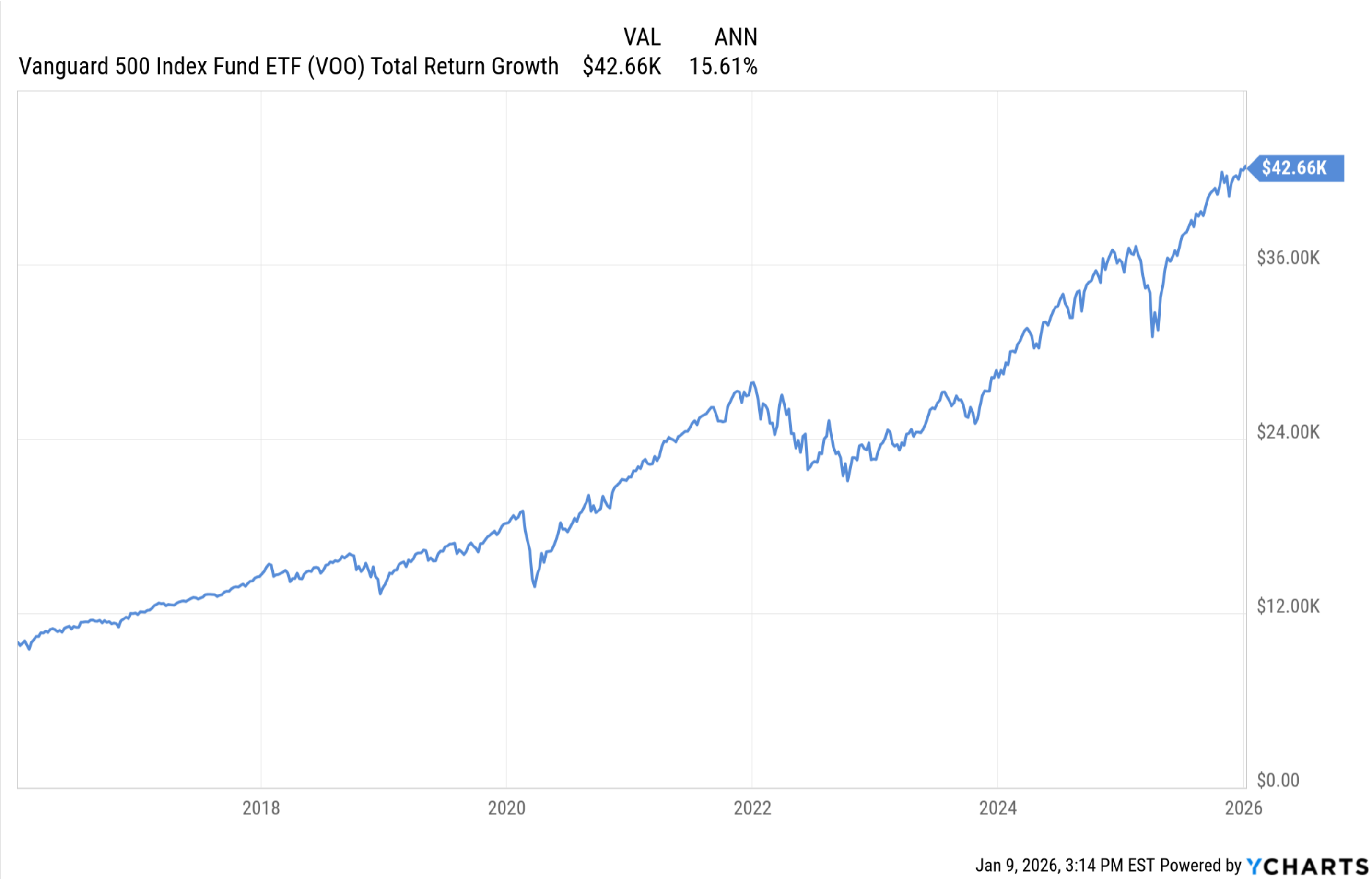
Annual Performance

Annual Returns



	2018	2019	2020	2021	2022	2023	2024	2025
Vanguard 500 Index Fund ETF	-4.50%	31.35%	18.29%	28.78%	-18.19%	26.32%	24.98%	17.82%
S&P 500 Total Return	-4.38%	31.49%	18.40%	28.71%	-18.11%	26.29%	25.02%	17.88%

Growth of $10,000 Investment

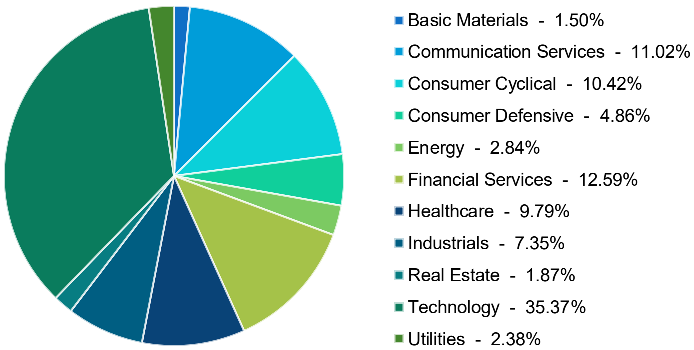


Source: Ycharts. Past performance is no guarantee of future results. All returns shown are historical and reflect the reinvestment of dividends and capital gains. The hypothetical growth of $10,000 is for illustrative purposes only and does not represent an actual investment. Investment returns and principal 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

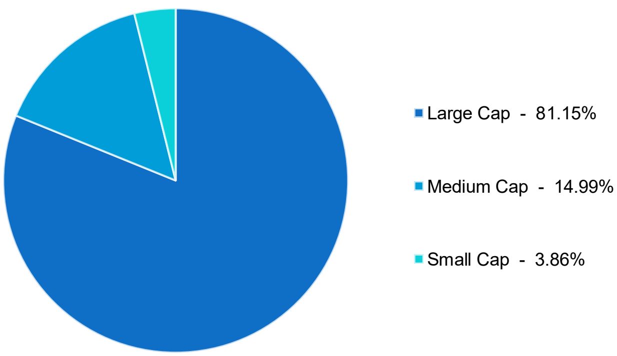
Sector Exposure



Style Exposure

	Value	Blend	Growth
Large	22.18%	39.61%	19.34%
Mid	5.91%	8.26%	3.63%
Small	0.41%	0.62%	0.04%

Market Cap Exposure



Top 15 Holdings

Name	Weight
NVDA	7.37%
AAPL	7.07%
MSFT	6.24%
AMZN	3.86%
AVGO	3.24%
GOOGL	3.18%
GOOG	2.55%
META	2.40%
TSLA	2.06%
BRK.B	1.61%
LLY	1.46%
JPM	1.40%
V	0.96%
JNJ	0.85%
XOM	0.84%

VOO consists of 500 individual U.S. stocks, representing nearly the entire large-cap segment of the U.S. equity market. The ETF is fully invested in equities at all times, reflecting the S&P 500’s asset allocation.

- The top 10 holdings account for roughly 39% of the portfolio, mirroring the index’s concentrated exposures to mega-cap leaders.
- Geographic allocation is virtually 100% U.S., with negligible weight to foreign issuers via U.S.-listed ADRs.
- Sector exposures match the S&P 500, with leading weights in Information Technology (about 29%), Health Care (13%), Financials (12%), Consumer Discretionary (10%), and Communication Services (8%).
- Median market capitalization is near $200 billion, in line with S&P 500 constituents.
- The current positioning, with a broad base and heavy representation of the top U.S. companies, is fully consistent with the fund’s core objective: delivering the returns of the S&P 500 efficiently and reliably.

Positioning overall is exactly what investors should expect from an index-tracking ETF: a fully invested, diversified portfolio that matches the S&P 500’s sector, style, and capitalization exposures. This makes VOO a straightforward vehicle for obtaining market-like returns from U.S. large-cap equities, with neither intentional tilts nor departures from the benchmark.investor.

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.

	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	1.42	0.75	0.80	12.74%	14.84%	15.89%	19.31%	24.53%	34.01%
S&P 500 Total Return	1.42	0.76	0.80	12.73%	14.83%	15.87%	19.28%	24.49%	33.79%

Risk

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.

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