

Vanguard Real Estate Index Fund - Admiral Shares (VGSLX)

Investment Objective

The Real Estate Index Fund invests in real estate investment trusts (REITs) – companies that purchase office buildings, hotels, and other real estate property. The fund seeks to provide a high level of income and moderate long-term capital appreciation. REITs have often performed differently than stocks and bonds, so this fund may offer some diversification to a portfolio already made up of stocks and bonds. The fund may distribute dividend income higher than other funds, but it is not without risk. One of the fund’s primary risks is its narrow scope, since it invests solely within the real estate industry and may be more volatile than more broadly diversified stock funds.

Investment Approach

The Real Estate Index Fund employs a passive investment management approach to track the performance of the MSCI US Investable Market Real Estate 25/50 Index, an index primarily made up of large, mid-size, and small US companies within the real estate sector. The real estate sector is largely comprised of equity real estate investment trusts (known as REITs), including specialized REITs, as well as real estate management and development companies. To replicate the target index, the fund attempts to invest all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as the MSCI US Investable Market Real Estate 25/50 Index.

Gerard C. O’Reilly (1996) and Walter Nejman (2016) are the managers of the fund.

Fund Characteristics	
Total Fund Assets	\$83.6 billion
Fees	0.12%
Allocation	
Specialized REITs	37.60%
Residential REITs	14.90%
Industrial REITs	11.00%
Retail REITs	9.80%
Health Care REITs	8.10%
Office REITs	7.10%
Real Estate Services	4.30%
Diversified REITs	3.80%
Hotel & Resort REITs	2.70%
Other	0.70%
Stock Focus / Style	US Real Estate
Number of Stocks	171
Turnover Rate	6.1%
Average Market Cap	\$27.5 billion
P/E Ratio	38.3x
Dividend Yield	2.56%

T. Rowe Price Real Assets Fund (PRAFX)

Investment Objective and Strategy

The Real Assets Fund is an actively managed fund that seeks to provide long-term growth of capital by normally investing at least 80% of its net assets in “real assets” and securities of companies that are engaged in activities related to, or have substantial ownership of, real assets. Because the fund focuses its investments in certain industries that involve activities related to real assets, the fund is more susceptible to adverse developments affecting one or more of these industries. During periods of low inflation, the fund’s goal of investing in companies that offer some protection from accelerating inflation could lessen relative returns and cause the fund to underperform other stock funds. Since there is no limit on the fund’s investments in foreign securities or emerging markets, it will be subject to the risk that some holdings will lose value because of unfavorable currency exchange rates or adverse political or economic developments internationally. The benchmark the fund utilizes for performance comparison is the MSCI All Country World Index.

Richard Coghlan, who has over 15 years of portfolio manager experience, and Christopher Faulkner-MacDonagh have been managing the fund since 2018.

Fund Characteristics	
Total Fund Assets	\$5.0 billion
Fees	0.83%
Allocation	
Real Estate	41.44%
Basic Materials	26.51%
Energy	12.52%
Industrials	9.83%
Consumer Cyclical	4.01%
Utilities	2.51%
Other	3.18%
Stock Focus / Style	Global Real Asset Equities
Number of Stocks	239
Turnover Rate	52.5%
Average Market Cap	\$16.2 billion
P/E Ratio	20.1x
Dividend Yield	1.83%