

## **Vanguard Total Stock Market Index Fund (VTSMX) +9 Fund Authority Score**

**Category : US Whole Market Stock Mutual Funds & ETFs**

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Vanguard Total Stock Market Index Fund (VTSMX) achieves a +9 Fund Authority Score. The diversified investment fund strategy of the Vanguard Total Stock Market Index mutual Fund. According to the Vanguard website, the investment strategy of the Vanguard Total Stock Market Index mutual fund is to use a "passive management—or indexing—investment approach designed to track the performance of the MSCI® US Broad Market Index, which represents 99.5% or more of the total market capitalization of all of the U.S. common stocks regularly traded on the New York and American Stock Exchanges, and the Nasdaq over-the-counter market. The fund typically holds the largest 1,200–1,300 stocks in its target index (covering nearly 95% of the index's total market capitalization) and a representative sample of the remaining stocks." The Fund Authority Score for the Vanguard Total Stock Market Index mutual Fund. The table below presents the Fund Authority Score and other information for the Vanguard Total Stock Market Index mutual fund. [Fund Authority Scores rate mutual funds and exchange traded funds \(ETFs\)](#) on the most important economic factors that influence individual investors' net long term diversified investment fund performance. *The Skilled Investor* developed the Fund Authority Score system to provide individual investors with concise and objective summaries of mutual funds and ETFs for comparisons within investment asset classes. Using an integer scale ranging from -10 to +10, Fund Authority Scores measure five factors:

- 1) annualized management and investment sales expenses (40% weighting),
  - 2) annual trading costs implied by investment fund portfolio turnover (30% weighting),
  - 3) inferior and superior historical performance (20% weighting),
  - 4) minimum fund maturity (5% weighting), and
  - 5) minimum fund size for operating efficiency (5% weighting).
- For a [directory of the Fund Authority Score reports of other mutual funds and ETFs, go here](#). For the details on [how a Fund Authority Score is developed for each mutual fund or ETF, go here](#).

Fund Authority Summary for the

Vanguard Total Stock Market Index Fund (VTSMX)

Fund Authority Summary Vanguard Total Stock Market Index Fund Fund Authority Score

FUND AUTHORITY SCORE (scale of -10 to +10) 9

### FUND AUTHORITY SCORING COMPONENTS

A) Management expenses and sales loads (-4 to +4)

-- Annual expense ratio with 12b-1 fees 0.19%

-- Front-end sales load with 5 year amortization 0.00%

---- Total annual direct costs 0.19% 4

B) Fund portfolio transactions costs (-3 to +3)

-- Annual turnover as a trading cost proxy 3.8% 3

C) Penalize very inferior historical performance and credit average and superior historical performance (-2 to +2)

-- Total of the 3 year Morningstar + Lipper ratings 7 1

D) Is this fund sufficiently mature? (0 or +1) 1

E) Very small fund efficiency penalty (-1 or 0) 0

#### INVESTMENT FUND OVERVIEW

- Type of investment fund index mutual fund
- Active versus passive management passive index fund
- Total net assets \$38.7 Billion
- Type of investment portfolio securities stocks - equities
- Geographic focus United States
- Market capitalization of portfolio securities large
- Strategy skew (value/growth/neither) neither
- Target performance benchmark index MSCI US Broad Market Index
- Year of inception 1992
- Trading symbol VTSMX
- Share class evaluated Investor Shares
- Minimum initial deposit for individual investor \$3000

#### TOP 10 INVESTMENT SECURITIES HOLDINGS ExxonMobil Corp.

General Electric Co.

Microsoft Corp.

AT&T Inc.

Procter & Gamble Co.

Bank of America Corp.

Citigroup Inc.

Cisco Systems Inc.

Chevron Corp.

Johnson & Johnson

----- Top 10 Investment Portfolio Holdings (%) 16.10%

Fund family website [www.vanguard.com](http://www.vanguard.com)

Customer service telephone number 877-662-7447

SEC EDGAR filings and/or fund website accessed November 20, 2007

NOTES:-- Most mutual funds and ETFs change their fees and trading strategies relatively little over time. Because investment expenses, trading/turnover costs, fund maturity, and operating efficiency account for 80% of the Fund Authority Score rating system, Fund Authority Scores tend to remain relatively stable over time for such consistent investment funds.-- The date in the table above indicates when fund information was accessed from SEC EDGAR filings and/or the fund company website. Normally, data used to develop Fund Authority Scores rely upon reporting periods ending the previous calendar quarter or half year.

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-- Fund Authority Scores are developed on a fund by fund basis. Just because a mutual fund or ETF has a high Fund Authority Score does not mean that other funds from that fund family do, as well. On your own, always be careful to check current management expenses, sales loads, portfolio turnover, fund maturity, fund size, fund performance, and other current factors before investing in any diversified investment fund.

-- If you do not need and/or are unwilling to pay the direct and indirect costs of an investment counselor, stock broker, or other financial advisory intermediary, you should note that many mutual funds can be purchased directly from diversified investment fund families by accessing their websites

or by calling their customer service telephone numbers. Similarly many ETFs can be purchased with lower transactions fees through discount brokers. (See these articles: [Payment of Investment Advisors, Financial Planners, and Investment Counselors](#))-- DISCLAIMER: THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, FOR THIS WEBSITE, INCLUDING NO WARRANTY FOR MERCHANTABILITY AND NO WARRANTY FOR FITNESS FOR ANY PARTICULAR PURPOSE. Read here this website's [TERMS OF USE](#).-- Your decision on whether to purchase or to sell any investment security is yours and yours alone. This TSI Site is a financial publication and is solely for informational and educational purposes related to your personal, private, and non-commercial use. Our articles report on publicly available documents and research studies. We have not verified any of the information reported in the information provided, and there could be errors with this information. It is solely your responsibility to verify any and all information before investing or purchasing any financial product or service. In no way does this site constitute a solicitation or offer to sell securities or investment advisory services.