

*Work!*

## **Vanguard Total International Stock Index Fund (VGTSX) +9 Fund Authority Score**

**Category : Worldwide and International (Non-U.S.) Stock Mutual Funds and ETFs**

**Published by [The Skilled Investor](#) on Nov/21/2007**

Vanguard Total International Stock Index Fund (VGTSX) lands a +9 Fund Authority Score. The Vanguard Total International Stock Index mutual fund is a low cost alternative for broad, passive index investing internationally. This fund is a composite of three other Vanguard international funds: the Vanguard European Stock Index Fund (55.7%), the Vanguard Pacific Stock Index Fund (24.1%), and the Vanguard Emerging Markets Stock Index Fund (20.2%). The percentages in the previous sentence indicate the recent composite portfolio weighting across these three separate funds. This Vanguard Total International Stock Index mutual fund does not have a separate management team, but instead relies upon the teams of the three Vanguard international index mutual funds that compose this composite fund. With a recent weighted average management expense ratio across these three funds of .32%, this is one of the lowest cost means to gain very broad international equity market exposure to over 2,000 European, Pacific, and emerging market stocks. The diversified investment fund strategy and policy of the Vanguard Total International Stock Index mutual Fund According to Vanguard's website, the investment strategy of the Vanguard Total International Stock Index mutual fund (VGTSX) is to use: "a 'passive management' - or indexing - investment approach. The fund seeks to track the performance of the Total International Composite Index by investing in these three other Vanguard funds ... These other funds seek to track the MSCI Europe Index, the MSCI Pacific Index, and the MSCI Emerging Markets Index, which together make up the Total International Composite Index. ... The underlying funds in which the fund invests fully replicate the holdings of their index benchmarks, matching the characteristics of each index (such as country weighting, market capitalization, and industry sector diversification)." The Fund Authority Score for the Vanguard Total International Stock Index mutual Fund The table below presents the Fund Authority Score and other information for the Vanguard Total International Stock Index 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 International Stock Index Fund (VGTSX)

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

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

## FUND AUTHORITY SCORING COMPONENTS

### A) Management expenses & sales loads (-4 to +4)

- Annual expense ratio with 12b-1 fees 0.32%
- Front-end sales load with 5 year amortization 0.00%
- Total annual direct costs 0.32% 3

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

- Annual turnover as a trading cost proxy 5.5% 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 9 2

### 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 composite index mutual fund -- Vanguard European Stock Index Fund (56%), Vanguard Pacific Stock Index Fund (24%), & Vanguard Emerging Markets Stock Index Fund (20%)

-- Active versus passive management passive index fund

-- Total net assets \$29.7 Billion

-- Type of investment portfolio securities stocks - equities

-- Geographic focus International (not U.S.)

-- Market capitalization of portfolio securities large

-- Strategy skew (value/growth/neither) neither

-- Target performance benchmark index MSCI Europe Index, MSCI Pacific Index, & MSCI Emerging Markets Index

-- Year of inception 1996

-- Trading symbol VGTSX

-- Share class evaluated Investor Shares

-- Minimum initial deposit for individual investor \$3000

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 21, 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.

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