

# Common insurance company uses of ETFs

ETFs offer diversification, low-costs, and ease of access to meet a wide array of general account portfolio management needs

Use	Description	Benefit
<b>Eliminate cash friction</b>	Invest cash instantly, then sell down the ETF over time as investment opportunities arise	Immediate potential for yield enhancement and asset class exposure
<b>Manager transitions</b>	Beta exposure during manager termination and search process	Maintain your target asset allocation during the search / due diligence period
<b>Modify exposures</b>	Modify duration, sector exposures, and adjust asset allocation	Simplify the rebalancing and decision making process while also saving on spread and trading costs
<b>Surplus / equity portfolio exposures</b>	Broad equity index exposure that can be complemented with individual stock and sector selection	Simplified equity exposure allowing your investment team to focus time and resources on the highest alpha opportunity areas
<b>Globalize portfolio</b>	Add diversification to the portfolio with international exposure	A single trade that provides broad international exposure; Sales are settled in U.S. dollars and no need for international custody arrangements or hedging
<b>Tactical positioning</b>	Execute on tactical decisions	Quickly capitalize on market dislocations and relative value opportunities
<b>Liquidity sleeve</b>	Mirror portfolio asset allocation and assist with rebalancing	Eliminates the need to trade less-liquid securities in your core portfolio and protects your SMA managers during distressed periods
<b>Treasury management</b>	Manage “excess” treasury cash	Provides your Treasury team with more tools to enhance yield on portions of the cash pool not required for immediate needs
<b>Small subsidiary management</b>	Manage subsidiary portfolio with only a few ETFs (contingent on state regulator approval)	Free up resources spent on small subsidiaries, eliminate the challenges of odd lots, and increase portfolio diversification
<b>Proxy for private assets</b>	Use ETFs as an asset class proxy while investing in private asset classes (e.g., REIT ETF as a proxy for direct real estate)	Maintain asset allocation targets while assets are invested in private assets over time

# Important Information

**Visit [vanguard.com](https://www.vanguard.com) to obtain a Vanguard ETF prospectus, or, if available, a summary prospectus, which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.**

*Vanguard ETF Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy and sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.*

All investing is subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility. Private investments involve a high degree of risk and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing the risks such an investment represents. Investors in private investments generally must meet certain minimum financial qualifications that may make it unsuitable for specific market participants.

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