

Vanguard U.S. Multifactor Fund

Domestic stock fund | Admiral™ Shares

Fund facts

Risk level Low ← → High					Total net assets	Expense ratio as of 03/27/20	Ticker symbol	Turnover rate as of 11/30/19	Inception date	Fund number
1	2	3	4	5	\$23 MM	0.18%	VFMFX	95.8%	02/15/18	0516

Investment objective

Vanguard U.S. Multifactor Fund seeks to provide long-term capital appreciation by investing in U.S. stocks which target three factors, value, momentum, and quality, after an initial volatility screen. Such a strategy offers potential diversification benefits that can help reduce the active risk associated with exposure to a single factor.

Investment strategy

The fund invests primarily in U.S. common stocks with the potential to generate higher returns relative to the broad U.S. equity market by investing in stocks with relatively strong recent performance, strong fundamentals, and low prices relative to fundamentals as determined by the advisor. The portfolio will include a diverse mix of companies representing many different market sectors and industry groups. The advisor uses a quantitative model to evaluate all of the securities in an investment universe comprised of U.S. large, mid, and small capitalization stocks and to construct a U.S. equity portfolio that seeks to achieve exposure to multiple factors subject to a set of reasonable constraints designed to foster portfolio diversification, liquidity, and lower volatility. Under normal circumstances, typically 100% of the fund's assets will be invested in securities issued by U.S. companies.

General note

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. The Quantitative Equity Group manages Vanguard active equity mutual funds using a quantitative investment approach. The group has advised Vanguard U.S. Multifactor Fund since 2018.

For the most up-to-date fund data, please scan the QR code below.



Benchmark

Russell 3000 Index

Total returns

	Periods ended June 30, 2020			
	Quarter	Year to date	One year	Since inception
Fund	20.65%	-16.26%	-9.36%	-4.17%
Benchmark	22.03%	-3.48%	6.53%	—

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Top sector holdings—stocks



Technology	20.2%	Materials & Processing	7.9
Financial Services	19.0	Consumer Staples	7.5
Producer Durables	15.7	Utilities	1.5
Consumer Discretionary	13.5	Energy	1.3
Health Care	13.4	Other	0.0

Sector categories are based on the Russell Global Sectors ("RGS"), except for the "Other" category (if applicable), which includes securities that have not been provided an RGS classification as of the effective reporting period.

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Ten largest holdings*

1	Target Corp.	
2	Applied Materials Inc.	
3	S&P Global Inc.	
4	Intel Corp.	
5	eBay Inc.	
6	Lam Research Corp.	
7	Moody's Corp.	
8	Apple Inc.	
9	AbbVie Inc.	
10	Aon plc	
Top 10 as % of total net assets		8.8%

* The holdings listed exclude any temporary cash investments and equity index products.

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Plain talk about risk

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range. The fund is subject to the following risks, which could affect the fund's performance:

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

Investment style risk: The chance that returns from the types of stocks in which the fund invests will trail returns from U.S. stock markets. Specific types of stocks tend to go through cycles of doing better or worse than other segments of the U.S. stock market. These periods have, in the past, lasted for as long as several years.

Manager risk: The chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Note on frequent trading restrictions

Frequent trading policies may apply to those funds offered as investment options within your plan. Please log on to [vanguard.com](https://www.vanguard.com) for your employer plans or contact Participant Services at 800-523-1188 for additional information.

Factor funds are subject to investment style risk, which is the chance that returns from the types of stocks in which the fund invests will trail returns from the stock market. Factor funds are subject to manager risk, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you.

If you receive your retirement plan statement from Vanguard or log on to Vanguard's website to view your plan, visit [vanguard.com](https://www.vanguard.com) or call **800-523-1188**.

If you receive your retirement plan statement from a service provider other than Vanguard or log on to a recordkeeper's website that is not Vanguard to view your plan, please call **855-402-2646**.

Visit [vanguard.com](https://www.vanguard.com) to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value