

Vanguard U.S. Multifactor ETF

As of September 30, 2021

VFMF

Investment approach

- Advisor uses a rules-based quantitative model to evaluate U.S. common stocks and construct a U.S. equity portfolio that seeks to achieve exposure to multiple factors.
- After applying an initial screen to remove the most volatile stocks in the universe, stocks are then selected according to their equally weighted ranking across three targeted factors; momentum-stocks that exhibit strong recent performance, quality-stocks that exhibit strong fundamentals, and value-stocks with low prices relative to fundamentals.
- Portfolio includes a diverse mix of stocks representing many different market capitalizations (large, mid, and small), market sectors, and industry groups, and holds hundreds of names to diversify idiosyncratic stock risk.
- Portfolio is rebalanced as needed to maintain consistent exposure to the targeted factors.
- Seeks long-term capital appreciation.
- Typically, at least 80% of the fund's assets will be invested in securities issued by U.S. companies.
- Note: The Value factor is measured by book value/price, forward earnings/price, operating cash flows/price (for non-financials only). The Momentum factor is measured by total returns from month T-12 to month T-1, total returns from month T-7 to month T-1, and the intercept from a 1-year regression of stock returns on their regional benchmark. For financials, the Quality factor is measured by return on equity and share issuance. For non-financials the Quality factor is measured by return on equity, gross profitability, change in net operating assets, and leverage. The volatility screen removes the 20% most volatile names within each market cap grouping and equally across sectors.

About the benchmark

- The Russell 3000 Index measures the performance of the largest 3,000 companies representing approximately 98% of the investable U.S. equity market.
- The index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is reconstituted annually to ensure new and growing equities are included.

Performance history

Total returns² for period ended September 30, 2021

VFMF (Inception 02/13/2018)	Quarter	Year to date	1 year	3 years	Since inception
Net asset value (NAV) return ³	-1.07%	20.18%	41.98%	8.30%	9.82%
Market price return ⁴	-1.09	20.10	42.05	8.29	9.82
Russell 3000 Index	-0.10	14.99	31.88	16.00	16.41

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.

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

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

Quick facts

Benchmark	Russell 3000 Index
Expense ratio ¹	0.19%
Dividend schedule	Quarterly
ETF total net assets	\$102 million
Fund total net assets	\$102 million
Inception date	February 13, 2018

Trading information

Ticker symbol	VFMF
CUSIP number	921935607
IIV (intra-day ticker)	VFMF.IV
Index ticker (Bloomberg)	RU30INTR
Exchange	CBOE

ETF attributes	U.S. Multifactor ETF	Russell 3000 Index
Number of stocks	575	3,052
Median market cap	\$10.1B	\$127.7B
Price/earnings ratio	13.0x	23.4x
Price/book ratio	2.2x	4.0x
Return on equity	12.5%	17.4%
Earnings growth rate	13.4%	19.1%
Turnover rate ⁵	51.9	—
Standard deviation ⁶	22.03%	19.68%

¹ As reported in the most recent prospectus. A fund's current expense ratio may be lower or higher than the figure reported in the prospectus.

² Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Fund performance figures assume the reinvestment of dividends and capital gains distributions; the figures are pre-tax and net of expenses. The above widely used comparative index represents unmanaged or average returns on various financial assets that can be compared with the fund's total returns for the purpose of measuring relative performance.

³ As of 4 p.m., Eastern time, when the regular trading session of the New York Stock Exchange typically closes.

⁴ Market price returns are calculated using the midpoint between the bid and offer prices at the time NAV is calculated, typically 4 p.m., Eastern time.

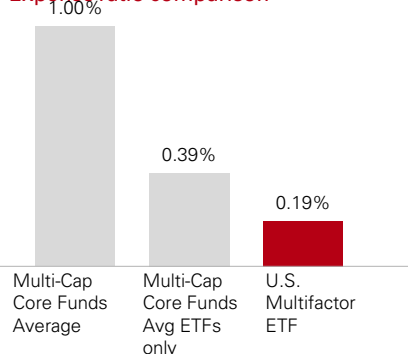
⁵ For most recent fiscal year. Turnover rate excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including Vanguard ETF Creation Units.

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Expense ratio comparison ¹



Ten largest holdings and % of total net assets ²

JPMorgan Chase & Co.	1.6%
Bank of America Corp.	1.2
Alphabet Inc.	1.1
Pfizer Inc.	1.1
Target Corp.	1.0
US Bancorp	1.0
Moderna Inc.	1.0
Philip Morris International Inc.	1.0
Allstate Corp.	1.0
Goldman Sachs Group Inc.	0.9
Top ten as % of total net assets	10.9%

Market capitalization breakdown

Large Cap	33.1%
Medium/Large Cap	2.5
Medium Cap	9.3
Medium/Small Cap	14.3
Small Cap	40.7

Subindustry diversification as % of common stock ³

Financials	26.9%
Consumer Discretionary	20.6
Industrials	17.2
Technology	10.0
Health Care	9.0
Energy	5.7
Basic Materials	4.9
Consumer Staples	4.1
Telecommunications	1.5
Real Estate	0.1
Utilities	0.0
Other	0.0

¹ Represents the expense ratio for the Vanguard ETF as reported in the most recent prospectus. There are material differences between mutual funds and ETFs. Unlike mutual funds, ETFs are priced continuously and bought and sold throughout the day in the secondary market (at a premium or discount to net asset value) with the assistance of a stockbroker, which entails paying commissions. Sources: Lipper, a Thomson Reuters Company, and Vanguard, December 31, 2020.

² The holdings listed exclude any temporary cash investments and equity index products.

³ Sector categories are based on the Industry Classification Benchmark system ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period.

Vanguard ETF® Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or 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 ETF products are subject to risk, which may result in the loss of principal.

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.

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For more information about Vanguard ETF Shares, visit [vanguard.com](https://www.vanguard.com), call 866-499-8473, or contact your broker to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

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