

Vanguard Market Neutral Fund

Domestic stock fund | Investor Shares

Fund facts

| | | | | | | | | | | |
|----------------------------|---|---|---|---|------------------|------------------------------|---------------|---------------|----------------|-------------|
| Risk level Low ← → High | | | | | Total net assets | Expense ratio as of 04/29/21 | Ticker symbol | Turnover rate | Inception date | Fund number |
| 1 | 2 | 3 | 4 | 5 | \$256 MM | 1.18%* | VMNFX | 172.0% | 11/11/98 | 0634 |

Investment objective

Vanguard Market Neutral Fund seeks to provide long-term capital appreciation while limiting exposure to general stock market risk.

Investment strategy

The fund seeks to meet its investment objective by purchasing securities that its advisor considers undervalued and selling short securities considered overvalued.

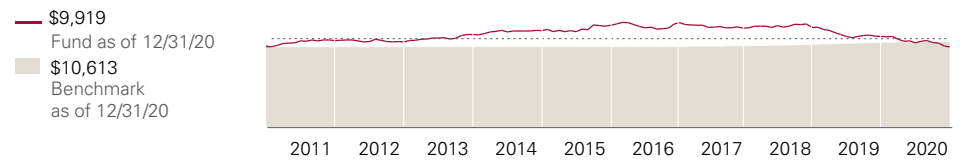
For the most up-to-date fund data, please scan the QR code below.



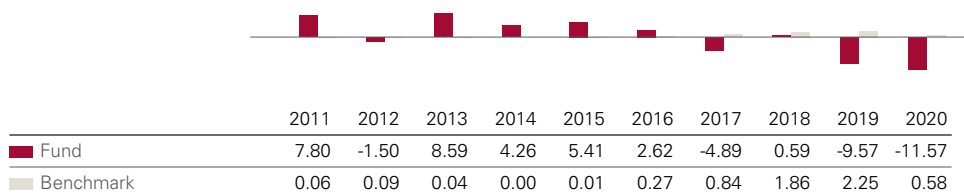
Benchmark

Spliced Market Neutral Index USD

Growth of a \$10,000 investment : January 31, 2011 – December 31, 2020



Annual returns



Total returns

| | Periods ended September 30, 2021 | | | | | |
|-----------|----------------------------------|--------------|----------|-------------|------------|-----------|
| | Quarter | Year to date | One year | Three years | Five years | Ten years |
| Fund | 3.28% | 12.86% | 7.51% | -4.17% | -1.73% | 0.44% |
| Benchmark | 0.01% | 0.03% | 0.06% | 1.14% | 1.13% | 0.59% |

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.

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.

* Excluding the effect of expenses attributable to borrowing and dividend expenses on short sales, Total Annual Operating Expense Ratio would be 0.20%
 Spliced Market Neutral Index USD: Citigroup 3-Month U.S. Treasury Bill Index through March 31, 2016; FTSE 3-Month Treasury Bill Index thereafter.
 The Laudus Rosenberg U.S. Large/Mid Capitalization Long/Short Equity Fund, which was sponsored and managed by Charles Schwab Investment Management Inc. and subadvised by AXA Rosenberg Investment Management LLC, was reorganized into Vanguard Market Neutral Fund on November 30, 2007.

Vanguard Market Neutral Fund

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Ten largest holdings*

| | | |
|---------------------------------|------------------------------------|------|
| 1 | APA Corp. | |
| 2 | Lamar Advertising Co. | |
| 3 | Jabil Inc. | |
| 4 | Gaming and Leisure Properties Inc. | |
| 5 | Hillenbrand Inc. | |
| 6 | Louisiana-Pacific Corp. | |
| 7 | Dropbox Inc. | |
| 8 | Ally Financial Inc. | |
| 9 | Alkermes plc | |
| 10 | Citigroup Inc. | |
| Top 10 as % of total net assets | | 8.2% |

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

Sector Diversification



| | | | |
|------------------------|-------|------------------------|-----|
| Information Tech | 19.7% | Materials | 5.9 |
| Industrials | 16.4 | Energy | 5.0 |
| Financials | 12.8 | Utilities | 5.0 |
| Health Care | 11.2 | Consumer Staples | 3.9 |
| Consumer Discretionary | 10.8 | Communication Services | 3.2 |
| Real Estate | 6.1 | Other | 0.0 |

Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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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, like the fluctuations of the overall stock market. The fund's performance could be hurt by:

Investment risk: The chance that the fund's advisor will take positions in securities, intentionally or unintentionally, that increase the fund's sensitivity to certain investment factors. These factors may include market capitalization of underlying securities, growth and/or value spread, and other factors. These factors may cause the fund to fail to achieve its investment objective of limiting exposure to general stock market risk, or cause it to underperform other funds with a similar investment strategy.

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

Strategy risk: The chance that the fund's investment strategy will not succeed. There is no guarantee that the fund will be able to limit exposure to general stock market risk or produce returns that exceed the returns of 3-month Treasury bills. The fund's use of short sales in combination with its long positions in an attempt to improve performance or to reduce overall portfolio risk may not be successful and may result in greater losses or lower positive returns than if the fund held only long positions.

Short selling risk: The chance that the fund will lose money in connection with its short sales of securities.

Derivatives risk: Investments in derivatives may involve risks different from, and possibly greater than, those of investments in the underlying securities, assets, or market indexes.

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 for your employer plans or contact Participant Services at 800-523-1188 for additional information.

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 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 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