**Vanguard U.S. Value Factor ETF**
**ETF Shares (VFVA) CBOE BZX Exchange, Inc.**
**Annual Shareholder Report | November 30, 2024**

Vanguard

This annual shareholder report contains important information about Vanguard U.S. Value Factor ETF (the "Fund") for the period of December 1, 2023, to November 30, 2024. You can find additional information about the Fund at https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature. You can also request this information by contacting us at 800-662-7447.

## What were the Fund costs for the last year?

*(based on a hypothetical $10,000 investment)*

| Share Class Name | Costs of a $10,000 investment | Costs paid as a percentage of a $10,000 investment |
|---|---|---|
| ETF Shares | $15 | 0.13% |

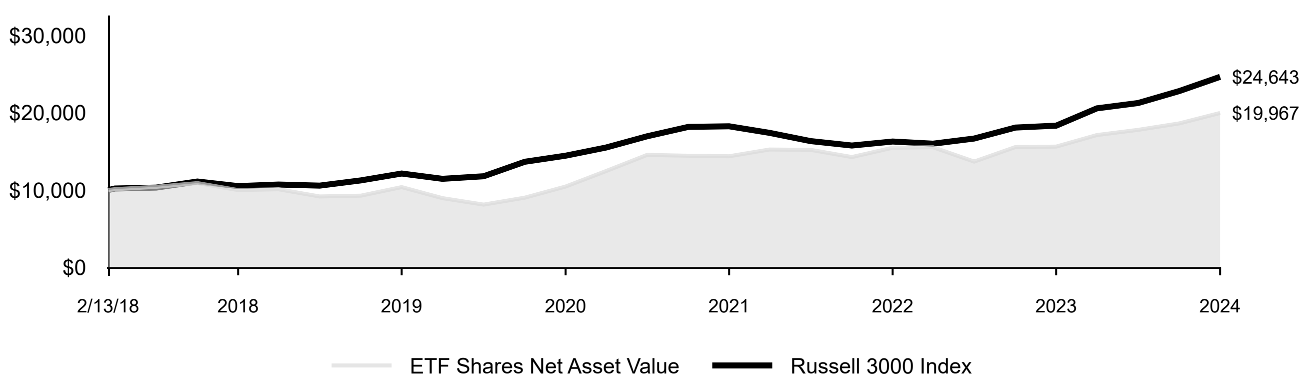
## How did the Fund perform during the reporting period?

- For the 12 months ended November 30, 2024, the Fund underperformed its benchmark, the Russell 3000 Index.
- U.S. economic growth hovered around 3% on a year-over-year basis for the period, quelling recession fears. Consumer price inflation trended lower, falling below 3% in July, and the Federal Reserve began to ease monetary policy with cuts to short-term interest rates in September and November. Against this positive macroeconomic backdrop, U.S. stocks posted very strong gains.
- In recent years, value stocks have underperformed their growth counterparts. This period was no exception. Seven of 11 industry sectors detracted from relative results.
- Energy—particularly stock selection and, to a lesser extent, an overweight position in the sector—was the portfolio’s greatest detractor. A combination of stock selection and an underweight position in information technology was another large detractor. Materials and communication services also lagged. By far, the greatest overall contributor was financials, due to a combination of stock selection and allocation decisions.

## How did the Fund perform since inception?

**Keep in mind that the Fund's past performance does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447. The graph and returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.**

**Cumulative Performance: February 13, 2018, Through November 30, 2024**
Initial Investment of $10,000




| Average Annual Total Returns | | | |
|---|---|---|---|
| | **1 Year** | **5 Years** | **Since Inception 2/13/18** |
| ETF Shares Net Asset Value | 27.88% | 13.99% | 10.71% |
| ETF Shares Market Price | 27.93% | 13.98% | 10.72% |
| Russell 3000 Index | 34.49% | 15.23% | 14.19% |

| Fund Statistics (as of November 30, 2024) | |
|---|---|
| Fund Net Assets (in millions) | $841 |
| Number of Portfolio Holdings | 644 |
| Portfolio Turnover Rate | 39% |
| Total Investment Advisory Fees (in thousands) | $198 |

**This table reflects the Fund's investments, including short-term investments, derivatives and other assets and liabilities.**

| Portfolio Composition % of Net Assets (as of November 30, 2024) | |
|---|---|
| Basic Materials | 5.3% |
| Consumer Discretionary | 15.0% |
| Consumer Staples | 6.4% |
| Energy | 13.6% |
| Financials | 26.3% |
| Health Care | 8.1% |
| Industrials | 15.1% |
| Real Estate | 0.6% |
| Technology | 5.8% |
| Telecommunications | 3.4% |
| Utilities | 0.1% |
| Other Assets and Liabilities—Net | 0.3% |

## Where can I find additional information about the Fund?

Additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information is available at https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature.

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