

Vanguard Windsor U.S. Value Fund

Management Discussion of Fund Performance

Investment Objective and Strategies

Vanguard Windsor U.S. Value Fund (the "Fund") seeks to provide long-term capital appreciation and income by investing primarily in large- and mid-capitalization companies located in the United States whose stocks are considered to be undervalued.

Undervalued stocks are generally those that are out of favour with investors and that the sub-advisors believe are trading at prices that are below average in relation to measures such as earnings and book value.

The three sub-advisors each follow distinct approaches in managing separate portions of the Fund's assets. Vanguard Global Advisers, LLC ("VGA"), may invest the Fund's cash flows in equity index futures and/or exchange-traded funds to manage liquidity needs. Wellington Management Canada ULC and Pzena Investment Management, LLC, employ intensive fundamental research and strict valuation disciplines to construct portfolios of undervalued and out-of-favour stocks. The combination of two distinctly different approaches to valuation, stock selection, and portfolio construction enhances diversification while maintaining the Fund's value character.

The Fund may also invest in cash and cash equivalents when prevailing market and economic conditions indicate it is desirable to do so.

Risk

The risks associated with an investment in the Fund remain as discussed in the Fund's most recent simplified prospectus. During the period that began April 1, 2024, and ended March

31, 2025, there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund.

Results of Operations

For the 12 months ended March 31, 2025, the Fund returned 9.55%, compared with the 13.29% return of its benchmark, the Russell 1000 Value Index.

Concerns about the outlook for U.S. economic growth, inflation and tariff uncertainty impacted the markets. Earlier this year, the U.S. administration introduced 25% tariffs on steel and aluminum from Canada, prompting retaliation from trade partners. Developed stock markets stood out with solid gains, driven by positive economic developments. U.S. broad markets exhibited positive performance for the period.

Weak security selection in consumer discretionary, information technology, and consumer staples drove underperformance the most. Selection in health care and industrials was strong but insufficient to outperform the benchmark.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected historical growth rates. Although the Fund uses the Russell 1000 Value Index for long-term performance comparisons, it is not managed relative to the composition of the index. There are differences between the Fund and the index in, among other things, security holdings and geographical and sector allocations. As a result, the Fund may experience periods when its performance differs materially from that of the index.

This annual management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the fund. You can obtain a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-877-410-7275, by writing to us at 22 Adelaide Street West, Suite 2500, Toronto, ON M5H 4E3 or by visiting our website at vanguard.ca or SEDAR+ at sedarplus.com. You may also contact us using one of these methods to request a copy of the fund's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

Recent Developments

Recent uncertainty regarding U.S. trade policy triggered fears of a worsening environment for economic growth. While most sectors finished in positive territory, technology was down materially, as investors began to contemplate risk from the magnitude of capital expenditure needs to fuel the AI boom, a slowdown in cloud spending, and the uncertain implications of potentially cheaper AI models like DeepSeek. Value stocks were higher in the quarter, outperforming the broad market. We believe starting point valuations remain extremely attractive in the portfolio today, which is most exposed to the health care and financials sectors.

Related Party Transactions

Vanguard Investments Canada Inc. (the “Manager”) is the manager, trustee, portfolio advisor and promoter of the Fund, and is entitled to receive a management fee for its services that is paid by the Fund to the Manager (see “Management Fees” below).

From time to time, the Manager may, on behalf of the Fund, enter into transactions or arrangements with or involving certain persons or companies that are related to the Manager when, in the discretion of the Manager, it would be in the best interests of the Fund to do so. The purpose of this section is to provide a brief description of any transaction or arrangement with or involving the Fund and a related party.

Sub-Advisor

VGA, an affiliate of the Manager, has been retained by the Manager to act as sub-advisor to the Manager in connection with a portion of the Fund assets, subject to continuing oversight by the Manager. VGA is a registered investment advisor in the United States with offices based in Valley Forge, Pennsylvania. As compensation for its services as sub-advisor, VGA is entitled to receive a portion of the management fee that is paid by the Fund to the Manager.

With respect to the continuing oversight of the affiliate by the Manager, the Manager has relied on a positive recommendation and standing instruction that it has received from the Fund’s Independent Review Committee (“IRC”). The standing instruction requires the Manager to comply with its current policy and procedures on monitoring services provided by the sub-advisor of the Fund and to report periodically to the IRC, describing each instance in which the Manager relied on the standing instruction and its compliance with the policy and procedures.

Management Fees

As set out under Related Party Transactions, the Manager is the manager, trustee, portfolio advisor and promoter of the

Fund. As compensation for its services, the Manager is entitled to receive a maximum annual management fee for Series F of 0.50%, payable monthly, calculated based on the daily net asset value (“NAV”) of the Fund. The Fund incurred management fees of 0.37% for the period.

The major services paid for out of the management fee include fees for services the Manager provides, or causes to be provided, to the Fund, including the investment management of the Fund, oversight of service providers, general administration, the distribution, marketing and promotion of the Fund and sub-advisory fees.

The Manager may, in its discretion, agree to charge the Fund and/or certain unitholders a reduced management fee as compared with the management fee that it otherwise would be entitled to receive, provided that the amount of the reduced management fee is distributed periodically by the Fund to the unitholder as a management fee distribution. Any reduction will depend on a number of factors, including the amount invested, the NAV of the Fund and the expected amount of account activity. Any tax consequences of a management fee distribution will generally be borne by the unitholder who receives the distribution.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the periods indicated.

The Fund's Net Assets Per Unit¹

Series F	Financial Years Ended March 31,				
	2025	2024	2023	2022	2021
Net assets, beginning of period	\$15.36	\$13.33	\$13.28	\$11.85	\$8.28
Increase (decrease) from operations					
Total investment income	0.37	0.33	0.25	0.30	0.21
Total expenses	(0.14)	(0.13)	(0.11)	(0.11)	(0.09)
Realized gains (losses) for the period	1.55	0.64	0.56	1.19	0.71
Unrealized gains (losses) for the period	(0.36)	1.79	(0.12)	0.16	3.13
Total increase (decrease) from operations ²	1.42	2.63	0.58	1.54	3.96
Distributions					
From income (excluding dividends)	(0.32)	(0.15)	(0.04)	(0.27)	(0.20)
From dividends	(0.01)	(0.01)	(0.01)	—	—
From capital gains	(0.55)	(0.19)	(0.51)	—	(0.32)
Total annual distributions ³	(0.88)	(0.35)	(0.56)	(0.27)	(0.52)
Net assets, end of period	\$15.96	\$15.36	\$13.33	\$13.28	\$11.85

1 The financial highlights are derived from the Fund's financial statements prepared in accordance with IFRS Accounting Standards. The net assets calculated for the purpose of processing unitholder transactions are the same as the net assets attributable to holders of redeemable units used for financial statement reporting purposes as at March 31, 2025, 2024, 2023, 2022, and 2021.

2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

Ratios and Supplemental Data

	Financial Years Ended March 31,				
	2025	2024	2023	2022	2021
Total net asset value (000's) ¹	\$183,949	\$138,391	\$94,149	\$61,178	\$28,285
Number of units outstanding (000's) ¹	11,523	9,008	7,061	4,607	2,387
Management expense ratio ²	0.58%	0.60%	0.58%	0.56%	0.54%
Management expense ratio before waivers or absorptions	0.78%	0.78%	0.79%	1.01%	0.69%
Portfolio turnover rate ³	44.43%	45.53%	52.34%	63.72%	60.42%
Trading expense ratio ⁴	0.04%	0.05%	0.05%	0.07%	0.05%
Net asset value per unit ¹	\$15.96	\$15.36	\$13.33	\$13.28	\$11.85

1 This information is provided as at March 31 of the year shown.

2 Management expense ratio ("MER") is based on net expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as a percentage of daily average net asset value during the period. MER reflects expenses voluntarily waived or absorbed by the Manager, including the cost of the IRC, certain administrative expenses, and portions of its management fee. The Manager may, in its discretion, discontinue these practices at any time. Additionally, sub-advisory fees are based on a range; the Manager has contractually agreed to waive the portion of its management fee which represents the difference between the top-end range and the fees actually paid.

3 The Fund's portfolio turnover rate indicates how actively the Fund's sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a portfolio's turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

4 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as a percentage of daily average net assets during the period.

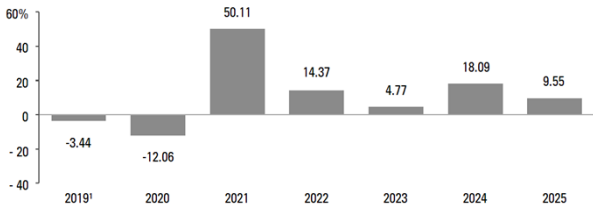
Past Performance

The Fund’s performance information assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund’s annual performance for each of the years shown, and illustrates how the Fund’s performance has changed year to year.

The chart shows in percentage terms how much an investment made on the first day of the period would have increased or decreased by the last day of the period.



1 Return from June 20, 2018 (the Fund's commencement date), to March 31, 2019.

Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with those of a broad-based equity market index, the Russell 1000 Value Index.

A brief description of the index and a discussion regarding the relative performance of the Fund compared with the index can be found in the Results of Operations section.

Annual Compound Returns

Period Ended March 31, 2025

	One Year	Three Year	Five Year	Since Inception ¹
Vanguard Windsor U.S. Value Fund	9.55%	10.67%	18.40%	10.57%
Russell 1000 Value Index	13.29	11.06	15.64	9.66

1 June 20, 2018

Summary of Investment Portfolio

Sector Allocation
As at March 31, 2025

	% of Net Asset Value
Financials	17.6%
Health Care	15.5
Industrials	12.4
Consumer Discretionary	10.1
Technology	9.4
Energy	8.0
Consumer Staples	7.5
Real Estate	3.8
Basic Materials	3.4
Utilities	3.2
Telecommunications	2.6
Other assets and liabilities (net)	6.5
	100.0

Market Allocation
As at March 31, 2025

	% of Investment Portfolio
United States	89.4%
United Kingdom	3.5
Canada	2.3
France	1.2
Germany	1.0
Spain	1.0
Other	1.6
	100.0

Top 25 Holdings

As at March 31, 2025

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

	% of Net Asset Value
Cash	5.7%
Wells Fargo & Co.	2.4
Tyson Foods, Inc.	1.8
Bristol-Myers Squibb Co.	1.8
MetLife, Inc.	1.4
American Tower Corp.	1.3
Morgan Stanley	1.3
Exxon Mobil Corp.	1.3
Pfizer, Inc.	1.2
Raymond James Financial, Inc.	1.2
Accenture plc	1.2
CVS Health Corp.	1.1
Conocophillips	1.1
Humana, Inc.	1.1
Schlumberger Ltd.	1.1
Voya Financial, Inc.	1.1
Equinix, Inc.	1.1
Walt Disney Co.	1.0
Freeport-Mcmoran, Inc.	1.0
M&T Bank Corp.	1.0
Dollar General Corp.	1.0
Skyworks Solutions, Inc.	1.0
Capital One Financial Corp.	1.0
PPG Industries, Inc.	1.0
Unilever plc	1.0
	35.2
Total net asset value	\$183,949,275



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This report may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent certain beliefs regarding future events. By their nature, forward-looking statements involve assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on any forward-looking statements contained in this report as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest and the risks detailed from time to time in the fund's prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Because of the potential impact of these factors, Vanguard Investments Canada Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.