

Vanguard® ESG U.S. Stock ETF

Investment Approach

Seeks to track the performance of the FTSE US All Cap Choice Index.

Market cap weighted index composed of large-, mid-, and small-capitalization stocks.

Screened for certain environmental, social, and corporate governance (ESG) criteria.

Specifically excludes stocks of certain companies related to the following: adult entertainment, alcohol, tobacco, cannabis, gambling, chemical and biological weapons, cluster munitions, anti-personnel landmines, nuclear weapons, conventional military weapons, civilian firearms, nuclear power, and coal, oil, or gas.

Excludes stocks of companies that do not meet certain labor, human rights, environmental, and anti-corruption standards.

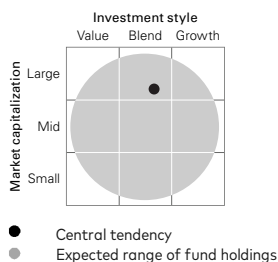
Excludes companies that do not meet certain diversity criteria.

Employs a passively managed, full-replication approach.

See **Important Note**.

Vanguard Style View : Large Blend

Index of large-, mid-, and small-capitalization U.S. companies screened for certain environmental, social, and corporate governance (ESG) criteria.



Quarterly Commentary

For the three months ended September 30, 2026, U.S. stocks posted modest gains. Despite generally resilient economic growth and corporate earnings, persistently high inflation and rising interest rates weighed on investor sentiment.

Global stocks returned 1.19% for the period, as measured by the FTSE Global All Cap Index in U.S. dollars. Gains in the Pacific region and the U.S. more than offset declines in European equities.

The fund's benchmark, the FTSE US All Cap Choice Index, returned 2.59% for the quarter. The Russell 3000 Index, which measures the broad U.S. stock market, returned 1.41%.

Technology (+7.0%), health care (+6.9%), and basic materials (+1.9%) were the top contributors. They accounted for 62.0% of the index's weighting at quarter-end and added about 4.0 percentage points to its result.

Consumer discretionary (−4.6%), industrials (−4.9%), and financials (−1.9%) were the top detractors.

For the 12 months ended September 30, the index returned 15.58%. Technology (+30.3%), health care (+21.6%), and telecommunications (+20.5%) were the top contributors. Consumer discretionary (−8.7%), utilities (−7.3%), and energy (−11.8%) were the only detractors.

People and Process

Vanguard ESG U.S. Stock ETF seeks to track the performance of the FTSE US All Cap Choice Index, a market cap weighted index composed of large-, mid-, and small-capitalization stocks that is screened for certain environmental, social, and corporate governance (ESG) criteria by the Index provider, which is independent of Vanguard. Specifically, the index excludes stocks of companies that FTSE Russell (FTSE) determines engage in, have a specified level of involvement in, and/or derive threshold amounts of revenue from certain activities or business segments related to the following: adult entertainment, alcohol, tobacco, cannabis, gambling, chemical and biological weapons, cluster munitions, anti-personnel landmines, nuclear weapons, conventional military weapons, civilian firearms, nuclear power, and coal, oil, or gas. The index methodology also excludes the stocks of companies that do not meet certain labor, human rights, environmental, and anti-corruption standards, as well as companies that do not meet certain diversity criteria. For additional details regarding the Index Methodology, please see the Methodology section of FTSE Group's website for the FTSE Global Choice Index Series. The Strategic Equity Index Management team applies sophisticated portfolio construction methodologies and efficient trading strategies designed to accommodate cash flows and maintain close alignment with benchmark characteristics. Vanguard's refined indexing process, combined with low management fees and efficient trading, has provided tight tracking net of expenses.

Vanguard Portfolio Management

Launched in 1975, The Vanguard Group Inc., Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. Vanguard's wholly owned subsidiary, Vanguard Portfolio Management, an independent investment advisor designed to enhance fund oversight and operational efficiency, is focused on equity strategies. Equity index funds are managed by Strategic Equity Index Management, covering the U.S. market. Strategic Equity Index Management has developed sophisticated portfolio construction methodologies and efficient trading strategies that seek to deliver returns that are highly correlated with target portfolio benchmarks. The group has advised Vanguard ESG U.S. Stock ETF since 2018.

Investment Manager Biographies

Aaron Choi, CFA. Portfolio manager. Advised the fund since 2025. Worked in investment management since 2015. B.S., Pennsylvania State University. M.B.A., The Wharton School of the University of Pennsylvania.

Chris Nieves, CFA. Portfolio manager. Advised the fund since 2025. Worked in investment management since 2013. B.A., Cornell University. MEng., Cornell University.

William Coleman, CFA. Portfolio manager. Advised the fund since 2026. Worked in investment management since 2006. B.S., King's College. M.S., Saint Joseph's University. M.B.A., The Wharton School of the University of Pennsylvania.

Total Returns

	Expense Ratio	Quarter	Year to Date	1 Year	3 Years	5 Years	Since Inception
ESG U.S. Stock ETF (9/18/2018)	0.09%						
Net Asset Value	—	2.57%	12.88%	15.49%	22.98%	12.39%	14.55%
Market Price	—	2.73	12.84	15.53	22.99	12.40	14.56
FTSE US All Cap Choice Index	—	2.59	12.95	15.58	23.07	12.47	14.65 ¹
Multi-Cap Core Funds Average	—	0.15	10.80	12.95	18.82	10.12	11.30 ²

¹ Since inception of the share class, 9/18/2018.

² Since inception of the share class, 9/18/2018.

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.

Note: FTSE US All Cap Choice Index: The FTSE US All Cap Choice Index is maintained by FTSE, a widely known global index provider. The index is a subset of the FTSE Global Choice Index Series, which is designed to help investors align their investment portfolios with their values by excluding companies based on the impact of their conduct or products on society and/or the environment.

Important Note: The index excludes the stocks of companies that FTSE determines engage in, have a specified level of involvement in, and/or derive threshold amounts of revenue from one or more of the following activities: (i) produce adult entertainment; own/operate adult entertainment establishments; distribute adult entertainment materials; (ii) manufacture alcoholic beverages; supply alcohol-related products/services to alcoholic beverage manufacturers; involved in distribution and/or retail sale of alcoholic beverages; (iii) manufacture tobacco products; supply tobacco related products/services; involved in distribution and/or retail sale of tobacco products; (iv) engage in cannabis cultivation, cannabis distribution, the processing and distribution of cannabis plants, and the creation of cannabis derivative products per the Industry Classification Benchmark (ICB) standards; (v) own and/or operate a gambling establishment; manufacture specialized equipment used exclusively for gambling; provide supporting products/services to gambling operations; (vi) produce chemical or biological weapons and their components; (vii) produce (or produce specific and critical parts or services for) cluster munitions; (viii) produce (or produce specific and critical parts or services for) anti-personnel mines; (ix) produce nuclear weapons or their components; (x) manufacture military weapons systems and/or integral, tailor-made components of these weapons; provide tailor-made products and/or services that support military weapons; provide non-weapons related tailor-made products and/or services related to the military or defense industry; (xi) produce and sell assault weapons or small arms to civilian customers; produce and sell key components of small arms; involved in the retail and/or distribution of assault weapons or small arms; (xii) involved in the operation and supply of nuclear power generation, that harnesses the energy present within atomic nuclei or their components; engaged in the development, processing, production and distribution of equipment and facilities that are specifically designed for and critical to the generation of nuclear power; (xiii) own proved or probable reserves in coal, oil, or gas; (xiv) any company that FTSE determines per the ICB standards: (a) engages in the exploration for and drilling, production, and supply of crude oil on land or in offshore areas; (b) primarily engages in the refining and marketing of petroleum products; (c) supplies equipment and services to oil fields and offshore platforms; (d) operates pipelines carrying oil, gas or other forms of fuel; (e) engages in all three fields of petroleum production: extraction (upstream), transportation (midstream), and refining and marketing (downstream); or (f) mines, processes and markets coal per the ICB standards; (xv) generate electricity from oil and/or gas, or thermal coal; and (xvi) distribute gas to end users. The level or type of involvement in, or amount of revenue earned from, certain activities or business segments that lead to exclusion by FTSE can vary from one activity or business segment to another. The index methodology also excludes the stocks of companies that, as FTSE determines based on its internal assessment, do not meet certain labor, human rights, environmental, and anti-corruption standards, as well as companies that fail to meet two of the following three diversity criteria: (1) at least one woman on the board; (2) diversity policies in place; and (3) diversity management systems in place. FTSE uses internal methodologies to analyze various factors in determining whether a company meets the foregoing criteria and/or falls within a particular industry, including whether the company has a certain amount of revenue derived from an industry, the company's level of involvement in an industry, and the severity of certain controversies (as determined by FTSE), which can vary from one company to another and from one activity to another.

Effective July 15, 2024, the market price returns are calculated using the official closing price as reported by the ETF's primary exchange. Prior to July 15, 2024, the market price returns were calculated using the midpoint between the bid and ask prices as of the closing time of the New York Stock Exchange (typically 4 p.m., Eastern time). The returns shown do not represent the returns you would receive if you traded shares at other times.

Quarterly Returns

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End		
					ESG U.S. Stock ETF	FTSE US All Cap Choice Index	Assets (Millions)
2026	-6.94%	18.26%	2.57%	—	—	—	\$13,417
2025	-6.32	12.28	8.27	2.31%	16.52%	16.61%	11,861
2024	9.91	4.03	5.53	3.33	24.68	24.77	10,059
2023	9.35	9.47	-3.68	13.41	30.76	30.85	7,464
2022	-7.55	-17.86	-4.91	5.22	-24.02	-23.99	5,659
2021	5.17	8.76	0.41	10.06	26.41	26.54	6,500
2020	-18.95	23.67	10.11	13.89	25.71	25.84	2,981
2019	14.35	4.66	1.72	9.58	33.40	33.53	874
2018 ¹	—	—	0.32	-14.04	-13.76	-13.72	111

¹ Since inception of the share class, 9/18/2018.

Recent Dividends and Distributions

Ex-Dividend Date	Income	Total Dividend
September 18, 2026	\$0.32	\$0.32
June 18, 2026	0.28	0.28
March 20, 2026	0.29	0.29
December 19, 2025	0.30	0.30
September 19, 2025	0.28	0.28
June 20, 2025	0.26	0.26
March 21, 2025	0.27	0.27
December 20, 2024	0.29	0.29
September 20, 2024	0.28	0.28
June 21, 2024	0.30	0.30
March 18, 2024	0.22	0.22
December 18, 2023	0.33	0.33

Volatility Measures

	R-Squared	Beta
FTSE US All Cap Choice Index	1.00	1.00
DJ US Total Stock Mkt Float Adj Idx	0.98	1.09

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.

Fund Facts

Fund Number	4393
Ticker	ESGV
Intra-day Ticker	ESGV.IV
Benchmark Ticker	FGCUSAC
CUSIP Number	921910733
Assets (millions)	\$13,417
Inception	9/18/2018
Expense Ratio (as of 12/2025)	0.09%

Equity Characteristics

	ESG U.S. Stock ETF	FTSE US All Cap Choice Index
Number of stocks	1,209	1,206
Median market cap	\$484.2 Billion	\$484.2 Billion
Average market cap	\$1771.0 Billion	\$1770.0 Billion
Price/earnings ratio	24.8x	24.8x
Price/book ratio	5.5x	5.5x
Return on equity	30.3%	30.3%
Earnings growth rate	25.5%	25.5%
Equity yield (dividend)	0.9%	0.9%
Foreign holdings	0.1%	0.0%
Short-term reserves	0.0%	—
Turnover rate (fiscal year end)	2.6%	—

Top 10 Largest Holdings

	% of Total Net Assets
NVIDIA Corp.	8.9%
Apple Inc.	8.1
Microsoft Corp.	6.4
Alphabet Inc.	6.1
Amazon.com Inc.	4.0
Broadcom Inc.	2.7
Meta Platforms Inc.	2.7
Micron Technology Inc.	2.0
Tesla Inc.	1.7
Advanced Micro Devices Inc.	1.7
Total	44.3%

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

Sector Diversification (% of Stocks)

	ESG U.S. Stock ETF	FTSE US All Cap Choice Index	Overweight/ Underweight
Basic Materials	1.4%	1.4%	0.0%
Consumer Discretionary	12.9	12.9	0.0
Consumer Staples	3.2	3.1	0.1
Energy	0.1	0.1	0.0
Financials	9.3	9.3	0.0
Health Care	10.0	10.0	0.0
Industrials	7.3	7.4	-0.1
Real Estate	2.4	2.4	0.0
Technology	50.6	50.6	0.0
Telecommunications	2.5	2.5	0.0
Utilities	0.3	0.3	0.0
Total	100.0%	100.0%	

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.

Important information

For more information about Vanguard funds or Vanguard ETFs, visit [vanguard.com](https://www.vanguard.com) or call 800-523-1036 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.

Vanguard ETF Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy and 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 investing is subject to risk, including the possible loss of the money you invest.

Please remember that all investments involve some risk. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Diversification does not ensure a profit or protect against a loss. Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility.

Investments in bond funds and ETFs are subject to interest rate, credit, and inflation risk. High-yield bonds generally have medium- and lower-range credit quality ratings and are therefore subject to a higher level of credit risk than bonds with higher credit quality ratings.

ESG funds are subject to ESG investment risk, which is the chance that the stocks or bonds screened by the index provider or advisor, as applicable, for ESG criteria generally will underperform the market as a whole or, in the aggregate, will trail returns of other funds screened for ESG criteria. The index provider or advisor's assessment of a company, based on the company's level of involvement in a particular industry or their own ESG criteria, may differ from that of other funds or an investor's assessment of such company. As a result, the companies deemed eligible by the index provider or advisor may not reflect the beliefs and values of any particular investor and may not exhibit positive or favorable ESG characteristics. The evaluation of companies for ESG screening or integration is dependent on the timely and accurate reporting of ESG data by the companies. Successful application of the screens will depend on the index provider or advisor's proper identification and analysis of ESG data. The advisor may not be successful in assessing and identifying companies that have or will have a positive impact or support a given position. In some circumstances, companies could ultimately have a negative or no impact or support of a given position.

The Factor Funds are subject to investment style risk, which is the chance that returns from the types of stocks in which a Factor Fund invests will trail returns from U.S. stock markets. The Factor Funds are also subject to manager risk, which is the chance that poor security selection will cause a Factor Fund to underperform its relevant benchmark or other funds with a similar investment objective, and sector risk, which is the chance that significant problems will affect a particular sector in which a Factor Fund invests, or that returns from that sector will trail returns from the overall stock market.

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

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Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Fund has a fixed investment allocation and is designed for investors who are already retired. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

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