

Vanguard Financials ETF

As of December 31, 2021

Investment approach

- Seeks to track the performance of the MSCI US Investable Market Index (IMI)/Financials 25/50.
- Multicapitalization equity in the financials sector.
- Passively managed, uses full-replication strategy when possible.
- If regulatory constraints prevent full replication, uses sampling strategy to approximate the index's key characteristics.
- Fund remains fully invested.
- Low expenses minimize net tracking error.

About the benchmark

- The MSCI US Investable Market Index (IMI)/Financials 25/50 includes stocks of U.S. companies within the financials sector.
- The sector is made up of companies involved in activities such as banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance, and financial investment.
- Uses GICS methodology and clearly classified sectors.
- Offers broad representation of the target sector across large-, medium-, and small-cap companies.

Performance history

Total returns² for period ended December 31, 2021

VFH (Inception 01/26/2004)	Quarter	Year to date	1 year	3 years	5 years	10 years	Since inception
Net asset value (NAV) return ³	4.76%	35.22%	35.22%	20.33%	12.60%	15.70%	5.92%
Market price return ⁴	4.73	35.11	35.11	20.36	12.59	15.70	5.92
Spliced U.S. Investable Market Financials 25/50 Index	4.78	35.37	35.37	20.45	12.71	15.81	6.00

MSCI US Investable Market Financials Index through February 26, 2010; MSCI US Investable Market Index (IMI)/Financials 25/50 thereafter.

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	MSCI US IMI/Financials 25/50
Expense ratio ¹	0.10%
Dividend schedule	Quarterly
ETF total net assets	\$11,661 million
Fund total net assets	\$12,516 million
Inception date	January 26, 2004

Trading information

Ticker symbol	VFH
CUSIP number	92204A405
IIV (intra-day ticker)	VFH.IV
Index ticker (Bloomberg)	M5US5FNI
Exchange	NYSE Arca

ETF attributes

	MSCI US IMI/Financials 25/50	Financials ETF
Number of stocks	400	386
Median market cap	\$83.3B	\$83.3B
Price/earnings ratio	11.5x	11.5x
Price/book ratio	1.7x	1.7x
Return on equity	11.0%	11.0%
Earnings growth rate	11.1%	11.2%
Turnover rate ⁵	4.0	—
Standard deviation ⁶	24.24%	24.23%



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.

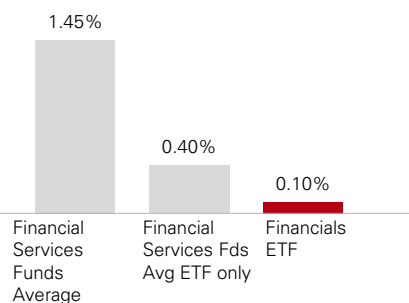
⁶ A measure of the volatility of a fund—based on the fund's last three years of monthly returns—used to indicate the dispersion of past returns. A higher standard deviation means a greater potential for volatility. For funds with less than 36 months of performance history, standard deviation is not calculated.

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Expense ratio comparison ¹



Ten largest holdings and % of total net assets ²

JPMorgan Chase & Co.	8.9%
Berkshire Hathaway Inc.	7.4
Bank of America Corp.	6.3
Wells Fargo & Co.	3.7
BlackRock Inc.	2.6
Morgan Stanley	2.5
Goldman Sachs Group Inc.	2.4
Citigroup Inc.	2.3
Charles Schwab Corp.	2.3
S&P Global Inc.	2.1
Top ten as % of total net assets	40.5%

Market capitalization breakdown

Large Cap	64.6%
Medium/Large Cap	4.4
Medium Cap	13.8
Medium/Small Cap	6.9
Small Cap	10.4

Subindustry diversification as % of common stock ³

Diversified Banks	22.7%
Regional Banks	14.8
Asset Management & Custody Banks	10.2
Financial Exchanges & Data	9.3
Investment Banking & Brokerage	8.9
Multi-Sector Holdings	7.5
Property & Casualty Insurance	7.2
Consumer Finance	5.7
Insurance Brokers	4.6
Life & Health Insurance	3.9
Multi-line Insurance	1.8
Other	3.4

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 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.

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. Sector ETF products are subject to sector risks and non-diversification risks, which may result in performance fluctuations that are more extreme than fluctuations in the overall stock market.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. The prospectus or the *Statement of Additional Information* contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.

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For more information about Vanguard ETF Shares, visit 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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