

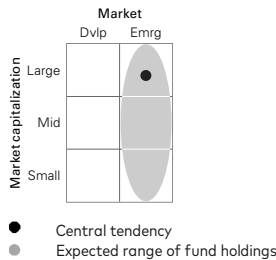
Vanguard® FTSE Emerging Markets ETF

Investment Approach

Seeks to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index.
 Passively managed, using index sampling.
 The fund invests substantially all of its assets in the stocks included in the index.

Vanguard Style View: Diversified Emerging Markets

Index portfolio of emerging market equities diversified across investment styles.



Quarterly Commentary

Major stock markets continued to advance in the first quarter of 2024, with a number of indexes reaching record highs. In the U.S., inflation readings came in higher than expected, but the labor market stayed on a solid footing, consumer spending remained strong, and the economy showed continued vigor. Given this backdrop, the Federal Reserve left interest rates unchanged.

Global stocks returned just shy of 8% for the quarter, as measured by the FTSE Global All Cap Index. U.S. equities led the way, while those in emerging markets lagged but still finished in positive territory.

With rate cuts looking less imminent, bond yields generally rose and prices declined. The broad U.S. investment-grade bond market returned -0.72% (as measured by the Bloomberg U.S. Aggregate Float Adjusted Index).

The fund's benchmark, the Spliced Emerging Markets Index, returned 2.04% for the three-month period ended March 31. This return was lower than that of the FTSE Global All Cap ex US Index (+4.34%), which measures developing and emerging markets outside of the United States.

In the benchmark, technology (+7.3%), energy (+6.7%), and industrials (+3.2%) were the top contributors.

Health care (-6.1%), basic materials (-3.2%), and consumer staples (-4.1%) detracted most from performance.

For the 12-month period ended March 31, 2024, the Spliced Emerging Markets Index returned 8.46%. Technology (+12.9%), financials (+13.9%), and energy (+32.1%) were the top contributors. The biggest detractors were consumer discretionary (-3.2%), basic materials (-2.0%), and health care (-4.3%).

People and Process

Vanguard FTSE Emerging Markets ETF seeks to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index. The FTSE Emerging Markets ETF is an exchange-traded share class of Vanguard Emerging Markets Stock Index Fund. The FTSE Emerging Markets ETF invests by sampling the index, meaning that it holds a broadly diversified collection of securities that, in the aggregate, approximates the index in terms of key characteristics. The FTSE Emerging Markets All Cap China A Inclusion Index is a market-capitalization-weighted index that is made up of common stocks of large-, mid-, and small-cap companies located in emerging markets around the world. The experience and stability of Vanguard's Equity Index Group have permitted continuous refinement of techniques for reducing tracking error. The group uses proprietary software to implement trading decisions that accommodate cash flow and maintain close correlation with index characteristics. Vanguard's refined indexing process, combined with low management fees and efficient trading, has provided tight tracking, net of expenses.

Vanguard Equity Index Group

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. As chief investment officer, Gregory Davis, CFA, oversees Vanguard's Equity Index, Investment Strategy, Quantitative Equity, and Fixed Income Groups. Rodney Comegys, Principal and global head of Vanguard's Equity Index Group, is responsible for all equity index funds. The Equity Index Group manages indexed equity portfolios covering U.S. and international markets. It 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 FTSE Emerging Markets ETF since 2005.

Investment Manager Biographies

Michael Perre, Principal. Portfolio manager. Advised the fund since 2008. Worked in investment management since 1990. B.A., Saint Joseph's University. M.B.A., Villanova University.

Jeffrey D. Miller. Portfolio manager. Advised the fund since 2016.
 Worked in investment management since 2007. B.A., Pennsylvania
 State University. M.B.A., Drexel University.

Total Returns

	Expense Ratio	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
FTSE Emerging Markets ETF (3/4/2005)	0.08%						
Net Asset Value	—	1.92%	1.92%	7.48%	-3.70%	2.90%	3.25%
Market Price	—	1.75	1.75	7.22	-3.86	2.85	3.24
Spliced Emerging Markets Index	—	2.04	2.04	8.46	-3.21	3.17	3.37

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: Spliced Emerging Markets Index: Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; FTSE Emerging Markets All Cap China A Transition Index through September 18, 2016; and FTSE Emerging Markets All Cap China A Inclusion Index thereafter. Benchmark returns are adjusted for withholding taxes.

Market price returns are calculated using the midpoint between the bid and offer price at the time NAV is calculated, typically 4 p.m., Eastern time.

Quarterly Returns

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End		
					FTSE Emerging Mkts ETF	Spliced Emerging Mkts Index	Assets (Millions)
2024	1.92%	—	—	—	—	—	\$75,908
2023	3.62	1.10%	-2.12%	6.56%	9.27%	9.55%	74,507
2022	-6.24	-9.17	-10.75	8.24	-17.72	-17.58	68,120
2021	3.57	5.16	-6.94	-0.39	0.96	1.48	81,078
2020	-24.55	19.90	9.05	16.89	15.32	15.51	71,477
2019	11.35	0.73	-3.57	11.31	20.40	20.41	67,138
2018	2.06	-9.09	-1.74	-6.30	-14.57	-14.77	55,250
2017	10.87	3.47	7.76	6.28	31.38	31.06	66,700
2016	5.36	2.33	7.80	-3.84	11.75	11.77	43,947
2015	2.08	1.73	-18.21	-0.33	-15.35	-15.40	34,452
2014	-0.35	7.42	-2.43	-3.68	0.60	1.24	45,819

Recent Dividends and Distributions

Ex-Dividend Date	Income	Total Dividend
March 18, 2024	\$0.04	\$0.04
December 19, 2023	0.87	0.87
September 19, 2023	0.33	0.33
June 21, 2023	0.23	0.23
March 21, 2023	0.03	0.03
December 20, 2022	0.64	0.64
September 20, 2022	0.53	0.53
June 22, 2022	0.31	0.31
March 22, 2022	0.13	0.13
December 21, 2021	0.48	0.48
September 21, 2021	0.47	0.47
June 22, 2021	0.28	0.28

Volatility Measures

	R-Squared	Beta
Spliced Emerging Markets Index	0.98	1.02
FTSE Global All Cap ex US Index	0.75	0.87

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

Fund Facts

Fund Number	0964
Ticker	VWO
Intra-day Ticker	VWO.IV
Benchmark Ticker	FQEACR
CUSIP Number	922042858
Assets (millions)	\$75,908
Inception	3/4/2005
Expense Ratio (as of 2/2024)	0.08%

Equity Characteristics

	FTSE Emerging Markets All Cap FTSE Emerging Mkts ETF	FTSE China A Inclusion Index
Number of stocks	5,848	4,664
Median market cap	\$20.4 Billion	\$20.3 Billion
Average market cap	\$101.6 Billion	\$100.3 Billion
Price/earnings ratio	14.2x	14.2x
Price/book ratio	2.0x	2.0x
Return on equity	15.1%	15.1%
Earnings growth rate	16.3%	16.3%
Equity yield (dividend)	2.9%	2.9%
Short-term reserves	0.0%	—
Turnover rate (fiscal year end)	4.5%	—

Top 10 Largest Holdings

	% of Total Net Assets
Taiwan Semiconductor Manufacturing Co. Ltd.	7.5%
Tencent Holdings Ltd.	3.1
Alibaba Group Holding Ltd.	2.0
Reliance Industries Ltd.	1.6
HDFC Bank Ltd.	1.3
PDD Holdings Inc.	0.9
Petroleo Brasileiro SA	0.9
Meituan	0.9
Infosys Ltd.	0.8
Hon Hai Precision Industry Co. Ltd.	0.8
Total	19.8%

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

Sector Diversification (% of Stocks)

	FTSE Emerging Mkts ETF	FTSE Emerging Markets All Cap China A Inclusion Index	Overweight/ Underweight
Basic Materials	6.8%	6.9%	-0.1
Consumer Discretionary	12.0	12.0	0.0
Consumer Staples	5.6	5.6	0.0
Energy	6.4	6.4	0.0
Financials	21.6	21.6	0.0
Health Care	4.0	3.9	0.1
Industrials	9.4	9.3	0.1
Other	0.0	0.1	-0.1
Real Estate	2.7	2.7	0.0
Technology	24.1	24.1	0.0
Telecommunications	3.7	3.7	0.0
Utilities	3.7	3.7	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 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 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. Although the income from a municipal bond fund is exempt from federal tax, you may owe taxes on any capital gains realized through the fund's trading or through your own redemption of shares. For some investors, a portion of the fund's income may be subject to state and local taxes, as well as to the federal Alternative Minimum Tax.

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.

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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