

**Annual Report** | October 31, 2020

# Vanguard Selected Value Fund

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

## Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to [vanguard.com](https://www.vanguard.com).

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to [vanguard.com](https://www.vanguard.com). Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

### Contents

Your Fund's Performance at a Glance .....	1
Advisors' Report.....	2
About Your Fund's Expenses.....	7
Performance Summary .....	9
Financial Statements .....	11

Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus.

## Your Fund's Performance at a Glance

- For the 12 months ended October 31, 2020, Vanguard Selected Value Fund returned -11.25%. It underperformed its benchmark, which returned -6.94%.
- In December 2019, Cooke & Bieler, LP, was added as an advisor to the fund with a target allocation of 40% of assets. Barrow, Hanley, Mewhinney & Strauss, LLC, no longer serves as an advisor to the fund.
- The period was marked by the global spread of COVID-19 and efforts to contain it. However, responses from policymakers, the start of trials for vaccines and treatments, and the easing of some pandemic-related restrictions eventually lifted investor sentiment.
- The broad U.S. stock market, as measured by the Russell 3000 Index, returned 10.15%. Growth stocks outperformed value stocks, while large-capitalization stocks outperformed mid- and small-caps.
- Returns were negative in nine of the fund's 11 sectors, most notably in energy. The advisors' holdings in materials and light weighting in real estate helped relative performance. Their holdings in industrials detracted most from relative returns.

### Market Barometer

	Average Annual Total Returns Periods Ended October 31, 2020		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	10.87%	10.63%	11.79%
Russell 2000 Index (Small-caps)	-0.14	2.19	7.27
Russell 3000 Index (Broad U.S. market)	10.15	10.04	11.48
FTSE All-World ex US Index (International)	-2.17	0.13	4.52
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	6.19%	5.06%	4.08%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	3.59	4.09	3.70
FTSE Three-Month U.S. Treasury Bill Index	0.86	1.62	1.15
<b>CPI</b>			
Consumer Price Index	1.18%	1.82%	1.83%

## Advisors' Report

For the 12 months ended October 31, 2020, Vanguard Selected Value Fund returned -11.25%. It underperformed its benchmark, the Russell Midcap Value Index, which returned -6.94%

Your fund is managed by three independent advisors, a strategy that enhances its diversification by providing exposure to distinct yet complementary investment approaches. It's not uncommon for different advisors to have different views about individual securities or the broader investment environment.

The accompanying table lists the advisors, the amount and percentage of fund assets each manages, and brief descriptions of their investment strategies.

The advisors have provided the following assessment of the investment environment during the past 12 months and the notable successes and shortfalls in their portfolios. These comments were prepared on November 13, 2020.

### **Pzena Investment Management, LLC**

Portfolio Managers:

Richard Pzena, Managing Principal  
and Co-Chief Investment Officer

John Flynn, Principal

Ben Silver, CFA, CPA, Principal

An easing of trade tensions between the U.S. and China propelled markets higher in the final months of 2019—but stocks

then suffered their sharpest decline on record in response to the COVID-19 pandemic and associated economic slowdowns. Value stocks, already cheap, fared the worst in this sell-off; growth stocks drove the market in its rebound, propelled by ever-lower interest rates.

The portfolio declined mostly because of its exposure to energy and financials, while holdings in industrials added to results. Opportunistic buying during the March low helped performance.

Among our energy holdings, National Oilwell Varco and TechnipFMC suffered as oil prices remained volatile. Some forecasters reduced their expectations for oil demand, both short-term and longer-term. While we expect that oil demand may never return to the growth seen historically, our research shows that the shrinkage in supply is already severe, raising the prospects of a healthy recovery in price and an increase in the industry's profitability.

In financials, property and casualty insurer Axis Capital detracted on concerns around elevated expenses related to COVID-19 and a large increase in reserves. Management has a history of conservative reserve development, and the company and industry are now benefiting from the material price increases on insurance renewals linked to the current hard market.

Two of the largest contributors, specialty chemical maker Dow and global insurer AIG, were new positions. Dow shares rebounded after management effectively

reduced costs during the downturn. AIG shares benefited from management's increased disclosure on lines impacted by COVID-19 exposure, as well as from the life and retirement segment's investment portfolio exposure to credit losses and rate migration. AIG recently announced it will separate its life and retirement business and establish two independent companies.

Other notable new positions included Ford Motor, NRG Energy, Olin, Textron, and Reinsurance Group of America. To help fund these purchases, notable exits included KKR, Anixter International, Carlisle Companies, Avangrid, and Legg Mason.

Persistent market volatility and widespread uncertainty have resulted in the widest valuation dispersions in the last 50 years and some of the most attractive valuations in our history. We believe our companies have the ability to manage through the uncertainty without capital impairment and will thrive as the economy continues to recover.

## **Cooke & Bieler, LP**

Portfolio Managers:

Mehul Trivedi, CFA, Partner  
and Research Analyst

William Weber, CFA, Partner  
and Research Analyst

Note: On December 16, 2019, Vanguard added Cooke & Bieler as an advisor to

Vanguard Selected Value Fund. The commentary below is for the period from December 16, 2019, through October 31, 2020.

The investment environment was shaped by the global coronavirus pandemic and the economic shocks it caused. Panic selling in the first quarter of 2020 quickly gave way to a rapid recovery. Growth stocks led the way, with technology companies seen as winning from the pandemic's fallout.

The portfolio's top contributors were relatively immune to the challenging economic environment. Helen of Troy's health care product portfolio—including thermometers, residential air-filtration systems, and humidifiers—benefited from increased demand, while its housewares and beauty lineup also posted strong results. Appliance manufacturer Whirlpool saw healthy demand for appliances, driven by home price appreciation and expanding home equity. IAA, an operator of marketplaces for damaged and low-value vehicles, proved relatively resilient despite declines in driving activity, as auctions shifted online and higher revenue per vehicle offset lower volumes. Positioning was broadly positive, with a lack of exposure to energy and real estate especially helpful.

The portfolio's largest detractors—AerCap, Norwegian Cruise Lines, and Hexcel—were affected by the pandemic. AerCap, a leading lessor of aircraft, suffered amid concerns about the pandemic's long-term impact on air traffic and demand for aircraft. Norwegian was

forced to cease operations indefinitely as cruise ships were deemed vectors for coronavirus transmission. We eliminated it from the portfolio in April. Hexcel, a manufacturer of highly engineered aircraft components, suffered a sharp decline in commercial aerospace revenues as production schedules were sharply cut. Though 2020 was a difficult year for both AerCap and Hexcel, we believe both businesses have the financial wherewithal to survive the current downturn and prosper on the other side.

## Outlook

We expect the U.S. economy to recover as people return to many pre-COVID routines, driven by improving therapies and, eventually, vaccines. As the economy normalizes, we expect that investors will better appreciate the enormous valuation disparity created between stocks of companies buoyed by COVID-19 and stocks of companies that have taken a hit but remain strong, viable businesses. Reasonably valued stocks of well-positioned, financially strong companies with staying power and fundamental improvement potential should perform well.

## Donald Smith & Co., Inc.

Portfolio Managers:

Richard L. Greenberg, CFA,  
Chief Executive Officer  
and Co-Chief Investment Officer

Jon Hartsel, CFA,  
Co-Chief Investment Officer  
and Director of Research

After a strong fourth quarter of 2019 and a positive beginning to the new year, markets plummeted in March with the onset of the COVID-19 pandemic and the subsequent lockdowns. Initially, there was an indiscriminate sell-off that also affected the portfolio's holdings, particularly those in COVID-impacted areas such as travel and hospitality. While the markets and our portfolio have made some recovery since the trough in March, the pandemic is far from over, and heightened risks remain for almost every sector.

The top contributors for the period were the gold miners Gold Fields, Kinross Gold, Equinox Gold, and IAMGOLD. While the subsector declined with the broader market in the initial pandemic-driven sell-off in March, miners quickly rebounded as gold rallied in response to unprecedented monetary and fiscal stimulus. The outlook for gold and gold miners is positive, as real interest rates are expected to remain low and valuation of the miners remains attractive relative to their expected profitability and free cash flow.

New holding Mosaic was another large contributor. The fertilizer company quickly recovered from its March low as the phosphate market tightened with improved demand and supply dynamics.

Airline and aircraft leasing stocks, including Air France, AerCap, and JetBlue, detracted most, as air travel came to an

almost complete halt. News of government aid to the airline industry helped alleviate some pressure, but airline stocks remain depressed. Aircraft lessors like AerCap struggled with customer requests for lease payment deferrals and the prospect of airline bankruptcies.

Financial holdings were mixed; insurers Unum Group and CNA Financial declined, while Fifth Third Bankcorp rose. Homebuilders were also mixed. We were able to sell out of Toll Brothers at a gain, but Taylor Morrison Home declined.

Throughout the period, we sold out of certain holdings to accommodate redemption requests—but also made new purchases in commodities-related industries such as aluminum, paper, and gold, as well as in shipping, real estate, and insurance. Given the strong

performance of the gold miner group, we took gains in these names throughout the second and third quarters.

Our largest industry weightings are to insurance, metals, building and real estate, and airlines and aircraft leasing.

Our holdings are valued at 69% of tangible book value and 5.2 times our estimate of normalized earnings, compared with the Standard & Poor's 500 Index at 1,193% of tangible book value and 16.4 times normalized earnings. This portfolio valuation is one of the most attractive levels we have seen on both an absolute and a relative basis. As the world eventually emerges from the pandemic and the economy shows signs of recovery, we believe our portfolio is positioned to perform well.

## Vanguard Selected Value Fund Investment Advisors

Investment Advisor	Fund Assets Managed		Investment Strategy
	%	\$ Million	
Pzena Investment Management, LLC	40	2,027	Uses a fundamental, bottom-up, deep-value-oriented investment strategy. Seeks to buy good businesses at low prices, focusing exclusively on companies that are underperforming their historically demonstrated earnings power.
Cooke & Bieler, L.P.	40	1,967	Conducts fundamental research in seeking high-quality businesses that have a record of generating attractive and sustainable returns on capital, durable competitive advantages, and skilled and shareholder-friendly management teams.
Donald Smith & Co., Inc.	18	911	Conducts fundamental research on the lowest price-to-tangible book value companies. Research focuses on underlying quality of book value and assets, and on long-term earnings potential.
Cash Investments	2	104	These short-term reserves are invested by Vanguard in equity index products to simulate investment in stocks. Each advisor may also maintain a cash position.



## About Your Fund's Expenses

As a shareholder of the fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of the fund.

A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your fund's costs in two ways:

- **Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund under the heading "Expenses Paid During Period."

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the fund's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the fund for buying and selling securities. Further, the expenses do not include any purchase, redemption, or account service fees described in the fund prospectus. If such fees were applied to your account, your costs would be higher. Your fund does not carry a "sales load."

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the fund's expenses, including annual expense ratios, in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your fund's current prospectus.

Six Months Ended October 31, 2020

Selected Value Fund	Beginning Account Value 4/30/2020	Ending Account Value 10/31/2020	Expenses Paid During Period
Based on Actual Fund Return	\$1,000.00	\$ 1,167.01	\$1.63
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.63	1.53

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratio for that period is 0.30%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/366).

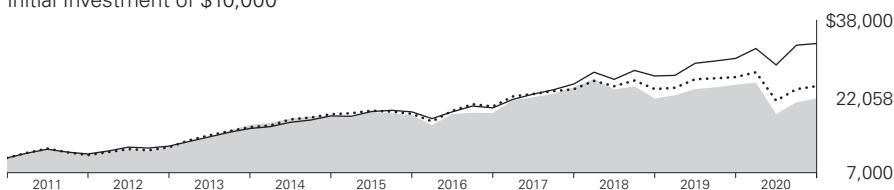
# Selected Value Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: October 31, 2010, Through October 31, 2020

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended October 31, 2020			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Selected Value Fund	-11.25%	3.35%	8.23%	\$22,058
Russell Midcap Value Index	-6.94	5.32	9.40	24,565
Dow Jones U.S. Total Stock Market Float Adjusted Index	9.99	11.41	12.75	33,211

See Financial Highlights for dividend and capital gains information.

## Fund Allocation

As of October 31, 2020

Communication Services	0.9%
Consumer Discretionary	14.2
Consumer Staples	0.6
Energy	3.7
Financials	28.3
Health Care	6.6
Industrials	22.6
Information Technology	9.2
Materials	9.5
Real Estate	1.9
Utilities	2.5

The table reflects the fund's investments, except for short-term investments and derivatives. 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.

Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P"), and is licensed for use by Vanguard. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

# Financial Statements

## Schedule of Investments

As of October 31, 2020

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Common Stocks (95.8%)</b>		
<b>Communication Services (0.9%)</b>		
Omnicom Group Inc.	692,900	32,705
Interpublic Group of Cos. Inc.	585,529	10,592
		<b>43,297</b>
<b>Consumer Discretionary (13.6%)</b>		
Gildan Activewear Inc.	5,631,927	116,975
* Taylor Morrison Home Corp. Class A	3,571,543	77,145
American Eagle Outfitters Inc.	4,889,900	67,041
Lear Corp.	528,357	63,831
* Helen of Troy Ltd.	303,181	57,483
Ford Motor Co.	6,858,769	53,018
Whirlpool Corp.	239,800	44,353
* Mohawk Industries Inc.	392,366	40,488
Hanesbrands Inc.	2,506,100	40,273
Newell Brands Inc.	2,065,477	36,476
Gap Inc.	1,259,132	24,490
PVH Corp.	397,619	23,177
Gentex Corp.	775,300	21,453
Extended Stay America Inc.	1,286,500	14,602
Carnival Corp.	73,862	1,013
		<b>681,818</b>
<b>Consumer Staples (0.6%)</b>		
Spectrum Brands Holdings Inc.	514,869	29,281
<b>Energy (3.5%)</b>		
Halliburton Co.	4,945,509	59,643
Baker Hughes Co. Class A	2,875,425	42,470
National Oilwell Varco Inc.	4,227,629	35,512
Cenovus Energy Inc.	5,167,683	16,950
TechnipFMC plc	2,382,657	13,176
Murphy Oil Corp.	645,960	4,987
Euronav NV	309,587	2,279
* WPX Energy Inc.	254,758	1,174
		<b>176,191</b>
<b>Financials (27.1%)</b>		
Fifth Third Bancorp	3,401,254	78,977
Unum Group	4,278,000	75,549
CNO Financial Group Inc.	4,031,828	71,565
Globe Life Inc.	833,502	67,589

## Selected Value Fund

	Shares	Market Value* (\$000)
Equitable Holdings Inc.	3,068,136	65,934
Axis Capital Holdings Ltd.	1,509,132	64,425
American International Group Inc.	2,041,847	64,298
Regions Financial Corp.	4,652,548	61,879
Voya Financial Inc.	1,252,126	60,014
Alleghany Corp.	96,500	52,779
TCF Financial Corp.	1,912,000	52,026
* Arch Capital Group Ltd.	1,709,700	51,650
KeyCorp	3,920,749	50,891
Synchrony Financial	1,954,800	48,909
Essent Group Ltd.	1,188,800	47,374
Jefferies Financial Group Inc.	2,346,121	45,773
CNA Financial Corp.	1,536,402	45,769
State Street Corp.	760,000	44,764
FirstCash Inc.	809,900	42,147
Webster Financial Corp.	1,132,283	36,471
Invesco Ltd.	2,742,777	35,958
Progressive Corp.	372,684	34,250
Reinsurance Group of America Inc.	325,907	32,923
Fidelity National Financial Inc.	724,400	22,666
Commerce Bancshares Inc.	354,501	22,068
Hartford Financial Services Group Inc.	506,455	19,509
American National Group Inc.	193,300	13,299
Loews Corp.	350,000	12,138
Allstate Corp.	121,976	10,825
Everest Re Group Ltd.	51,771	10,203
Hanover Insurance Group Inc.	97,763	9,352
Comerica Inc.	121,055	5,509
MFA Financial Inc.	1,016,357	2,866
		<b>1,360,349</b>
<b>Health Care (6.3%)</b>		
* Syneos Health Inc.	925,900	49,147
* Integra LifeSciences Holdings Corp.	1,083,260	47,772
* Laboratory Corp. of America Holdings	233,400	46,626
Cardinal Health Inc.	956,318	43,790
Hill-Rom Holdings Inc.	474,100	43,176
Perrigo Co. plc	901,100	39,531
* Mylan NV	1,719,068	24,995
McKesson Corp.	138,658	20,451
		<b>315,488</b>
<b>Industrials (21.7%)</b>		
* AerCap Holdings NV	4,695,200	116,582
* JetBlue Airways Corp.	6,440,529	77,093
Terex Corp.	2,618,814	64,659
Ryder System Inc.	1,182,066	58,229
* IAA Inc.	991,400	56,103
Snap-on Inc.	342,869	54,012
BWX Technologies Inc.	887,000	48,794
Westinghouse Air Brake Technologies Corp.	807,524	47,886
* Colfax Corp.	1,660,600	45,152
Huntington Ingalls Industries Inc.	296,200	43,684
Textron Inc.	1,179,129	42,213
Eaton Corp. plc	397,600	41,267
Woodward Inc.	510,600	40,618
Acuity Brands Inc.	435,900	38,856

## Selected Value Fund

	Shares	Market Value* (\$000)
* JELD-WEN Holding Inc.	1,785,519	37,549
Enerpac Tool Group Corp. Class A	1,717,514	30,623
AMETEK Inc.	299,800	29,440
* Avis Budget Group Inc.	854,586	28,774
Johnson Controls International plc	680,101	28,707
* AECOM	464,104	20,810
MSC Industrial Direct Co. Inc. Class A	295,765	20,603
Stanley Black & Decker Inc.	121,952	20,268
* Air France KLM ADR	5,952,756	19,287
* Gates Industrial Corp. plc	1,710,800	18,990
Donaldson Co. Inc.	398,900	18,948
Hexcel Corp.	514,800	17,236
Steelcase Inc. Class A	1,141,585	11,918
Triton International Ltd.	211,500	7,800
* MasTec Inc.	300	15
		<b>1,086,116</b>
<b>Information Technology (8.8%)</b>		
* Arrow Electronics Inc.	1,171,913	91,280
Avnet Inc.	2,266,809	55,922
Leidos Holdings Inc.	574,900	47,717
Amdocs Ltd.	827,300	46,643
* Micron Technology Inc.	787,300	39,633
MKS Instruments Inc.	309,300	33,525
TE Connectivity Ltd.	332,900	32,251
Hewlett Packard Enterprise Co.	3,137,063	27,104
KBR Inc.	833,444	18,578
Genpact Ltd.	505,149	17,362
Juniper Networks Inc.	829,020	16,348
* Celestica Inc.	2,485,719	14,591
		<b>440,954</b>
<b>Materials (9.1%)</b>		
* IAMGOLD Corp.	19,855,730	72,871
Mosaic Co.	3,755,300	69,473
Reliance Steel & Aluminum Co.	434,000	47,302
Gold Fields Ltd. ADR	4,128,027	45,119
Olin Corp.	2,588,526	42,840
Dow Inc.	874,083	39,762
* Axalta Coating Systems Ltd.	1,165,100	29,256
* Equinox Gold Corp.	2,671,383	28,532
Domtar Corp.	992,900	23,710
Schweitzer-Mauduit International Inc.	676,200	22,450
Kinross Gold Corp.	2,170,709	17,301
* Alcoa Corp.	1,226,700	15,849
		<b>454,465</b>
<b>Real Estate (1.8%)</b>		
* CBRE Group Inc. Class A	772,800	38,949
* Howard Hughes Corp.	392,541	24,412
Park Hotels & Resorts Inc.	1,475,473	14,652
* Realogy Holdings Corp.	1,286,639	14,359
		<b>92,372</b>
<b>Utilities (2.4%)</b>		
Edison International	900,709	50,476
NRG Energy Inc.	1,559,325	49,306

## Selected Value Fund

	Shares	Market Value* (\$000)
Entergy Corp.	190,579	19,290
<b>Total Common Stocks (Cost \$5,282,072)</b>		<b>119,072</b>
<b>Temporary Cash Investments (4.1%)</b>		
<b>Money Market Fund (4.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.112%	1,998,315	199,831
		Face Amount (\$000)
<b>U.S. Government and Agency Obligations (0.1%)</b>		
<sup>2</sup> U.S. Treasury Bill, 0.096%, 1/28/21	5,520	5,519
<b>Total Temporary Cash Investments (Cost \$205,322)</b>		<b>205,350</b>
<b>Total Investments (99.9%) (Cost \$5,487,394)</b>		<b>5,004,753</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>4,484</b>
<b>Net Assets (100%)</b>		<b>5,009,237</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

<sup>2</sup> Securities with a value of \$5,519,000 have been segregated as initial margin for open futures contracts.

ADR—American Depositary Receipt.

## Derivative Financial Instruments Outstanding as of Period End

### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
				(\$000)
Long Futures Contracts				
E-mini S&P 500 Index	December 2020	657	107,245	(2,555)

See accompanying Notes, which are an integral part of the Financial Statements.



# Statement of Assets and Liabilities

As of October 31, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$5,287,591)	4,804,922
Affiliated Issuers (Cost \$199,803)	199,831
Total Investments in Securities	5,004,753
Investment in Vanguard	212
Cash	921
Cash Collateral Pledged—Futures Contracts	2,829
Receivables for Investment Securities Sold	8,354
Receivables for Accrued Income	2,879
Receivables for Capital Shares Issued	2,196
<b>Total Assets</b>	<b>5,022,144</b>
<b>Liabilities</b>	
Foreign Currency Due to Custodian, at Value	3
Payables for Investment Securities Purchased	3,017
Payables to Investment Advisor	2,031
Payables for Capital Shares Redeemed	6,186
Payables to Vanguard	417
Variation Margin Payable—Futures Contracts	1,253
<b>Total Liabilities</b>	<b>12,907</b>
<b>Net Assets</b>	<b>5,009,237</b>

At October 31, 2020, net assets consisted of:

Paid-in Capital	4,971,894
Total Distributable Earnings (Loss)	37,343
<b>Net Assets</b>	<b>5,009,237</b>

**Net Assets**

Applicable to 219,941,270 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,009,237
<b>Net Asset Value Per Share</b>	<b>\$22.78</b>

## Statement of Operations

Year Ended  
October 31, 2020

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends—Unaffiliated Issuers <sup>1</sup>	111,279
Dividends—Affiliated Issuers	—
Interest—Unaffiliated Issuers	94
Interest—Affiliated Issuers	3,100
Securities Lending—Net	996
Total Income	115,469
<b>Expenses</b>	
Investment Advisory Fees—Note B	
Basic Fee	12,987
Performance Adjustment	(3,926)
The Vanguard Group—Note C	
Management and Administrative	8,817
Marketing and Distribution	642
Custodian Fees	44
Auditing Fees	32
Shareholders' Reports	260
Trustees' Fees and Expenses	10
Total Expenses	18,866
Expenses Paid Indirectly	(163)
Net Expenses	18,703
<b>Net Investment Income</b>	<b>96,766</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold—Unaffiliated Issuers	710,589
Investment Securities Sold—Affiliated Issuers	(10,132)
Futures Contracts	41,779
Foreign Currencies	(91)
<b>Realized Net Gain (Loss)</b>	<b>742,145</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities—Unaffiliated Issuers	(1,805,345)
Investment Securities—Affiliated Issuers	28,824
Futures Contracts	(5,772)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(1,782,293)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(943,382)</b>

<sup>1</sup> Dividends are net of foreign withholding taxes of \$520,000.

# Statement of Changes in Net Assets

	Year Ended October 31,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	96,766	153,096
Realized Net Gain (Loss)	742,145	477,469
Change in Unrealized Appreciation (Depreciation)	(1,782,293)	301,384
Net Increase (Decrease) in Net Assets Resulting from Operations	(943,382)	931,949
<b>Distributions<sup>1</sup></b>		
Total Distributions	(563,718)	(820,440)
<b>Capital Share Transactions</b>		
Issued	671,477	750,115
Issued in Lieu of Cash Distributions	520,183	757,580
Redeemed	(2,567,674)	(2,537,860)
Net Increase (Decrease) from Capital Share Transactions	(1,376,014)	(1,030,165)
Total Increase (Decrease)	(2,883,114)	(918,656)
<b>Net Assets</b>		
Beginning of Period	7,892,351	8,811,007
End of Period	5,009,237	7,892,351

1 Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$27.59</b>	<b>\$27.38</b>	<b>\$33.15</b>	<b>\$27.24</b>	<b>\$28.15</b>
<b>Investment Operations</b>					
Net Investment Income	.368 <sup>1</sup>	.493 <sup>1</sup>	.493 <sup>1</sup>	.449 <sup>1</sup>	.527 <sup>1</sup>
Net Realized and Unrealized Gain (Loss) on Investments	(3.163)	2.392	(3.153)	6.760	.030
Total from Investment Operations	(2.795)	2.885	(2.660)	7.209	.557
<b>Distributions</b>					
Dividends from Net Investment Income	(.450)	(.506)	(.423)	(.501)	(.443)
Distributions from Realized Capital Gains	(1.565)	(2.169)	(2.687)	(.798)	(1.024)
Total Distributions	(2.015)	(2.675)	(3.110)	(1.299)	(1.467)
<b>Net Asset Value, End of Period</b>	<b>\$22.78</b>	<b>\$27.59</b>	<b>\$27.38</b>	<b>\$33.15</b>	<b>\$27.24</b>
<b>Total Return<sup>2</sup></b>	<b>-11.25%</b>	<b>12.51%</b>	<b>-9.15%</b>	<b>27.17%</b>	<b>2.20%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,009	\$7,892	\$8,811	\$10,574	\$8,802
Ratio of Total Expenses to Average Net Assets <sup>3</sup>	0.31%	0.33%	0.36%	0.39%	0.35%
Ratio of Net Investment Income to Average Net Assets	1.58%	1.89%	1.61%	1.47%	2.00%
Portfolio Turnover Rate	85%	31%	31%	22%	27%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

3 Includes performance-based investment advisory fee increases (decreases) of (0.06%), (0.06%), (0.02%), 0.00%, and (0.04%).

## Notes to Financial Statements

Vanguard Selected Value Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the fund's pricing time. When fair-value pricing is employed, the prices of securities used by a fund to calculate its net asset value may differ from quoted or published prices for the same securities. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Foreign Currency:** Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the fund's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The fund may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers.

The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on future contracts.

During the year ended October 31, 2020, the fund's average investments in long and short futures contracts represented 2% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

4. Federal Income Taxes: The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

6. Securities Lending: To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by

## Selected Value Fund

Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended October 31, 2020, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

**B.** The investment advisory firms Pzena Investment Management, LLC, Donald Smith & Co., Inc., and, beginning December 2019, Cooke & Bieler, LP, each provide investment advisory services to a portion of the fund for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fee of Pzena Investment Management, LLC, is subject to quarterly adjustments based on performance relative to the Russell Midcap Value Index for the preceding three years. The basic fee of Donald Smith & Co., Inc., is subject to quarterly adjustments based on performance relative to the MSCI Investable Market 2500 Index for the preceding five years. In accordance with the advisory contract entered into with Cooke & Bieler, LP, beginning February 1, 2021, the investment advisory fee will be subject to quarterly adjustments based on performance relative to the Russell Midcap Value Index since January 31, 2020. Until November 2019, a portion of the fund was managed by Barrow, Hanley, Mewhinney & Strauss, LLC. The basic fee paid to Barrow, Hanley, Mewhinney & Strauss, LLC, was subject to quarterly adjustments based on performance relative to the Russell Midcap Value Index for the preceding three years.

Vanguard manages the cash reserves of the fund as described below.

## Selected Value Fund

For the year ended October 31, 2020, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.21% of the fund's average net assets, before a decrease of \$3,926,000 (0.06%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund corporate management, administrative, marketing, distribution and cash management services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At October 31, 2020, the fund had contributed to Vanguard capital in the amount of \$212,000, representing less than 0.01% of the fund's net assets and 0.08% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

D. The fund has asked its investment advisors to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the fund part of the commissions generated. Such rebates are used solely to reduce the fund's management and administrative expenses. The fund's custodian bank has also agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended October 31, 2020, these arrangements reduced the fund's management and administrative expenses by \$163,000 and custodian fees by less than \$1,000. The total expense reduction represented an effective annual rate of less than 0.01% of the fund's average net assets.

E. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of October 31, 2020, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
Assets				
Common Stocks	4,799,403	—	—	4,799,403
Temporary Cash Investments	199,831	5,519	—	205,350
Total	4,999,234	5,519	—	5,004,753



## Selected Value Fund

### Derivative Financial Instruments

Liabilities				
Future Contracts <sup>1</sup>	1,253	—	—	1,253

<sup>1</sup> Represents variation margin on the last day of the reporting period.

F. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for foreign currency transactions and distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	282,846
Total Distributable Earnings (Loss)	(282,846)

Temporary differences between book-basis and tax-basis components of total distributable earnings (losses) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales; and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (losses) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	56,303
Undistributed Long-Term Gains	475,465
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	(494,425)

The tax character of distributions paid was as follows:

	Year Ended October 31,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	125,895	155,280
Long-Term Capital Gains	437,823	665,160
Total	563,718	820,440

\* Includes short-term capital gains, if any.

## Selected Value Fund

As of October 31, 2020, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	5,499,179
Gross Unrealized Appreciation	546,163
Gross Unrealized Depreciation	(1,040,588)
Net Unrealized Appreciation (Depreciation)	(494,425)

G. During the year ended October 31, 2020, the fund purchased \$4,948,910,000 of investment securities and sold \$6,631,450,000 of investment securities, other than temporary cash investments.

H. Capital shares issued and redeemed were:

	Year Ended October 31,	
	2020 Shares (000)	2019 Shares (000)
Issued	30,348	29,246
Issued in Lieu of Cash Distributions	19,338	33,010
Redeemed	(115,758)	(98,003)
Net Increase (Decrease) in Shares Outstanding	(66,072)	(35,747)

I. Certain of the fund's investments are in companies that are considered to be affiliated companies of the fund because the fund owns more than 5% of the outstanding voting securities of the company or the issuer is another member of The Vanguard Group. Transactions during the period in securities of these companies were as follows:

	Oct. 31, 2019 Market Value (\$000)	Current Period Transactions						Oct. 31, 2020 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Sold Securities (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
IAMGOLD Corp.	117,209	—	48,538	(6,454)	10,654	—	—	NA <sup>1</sup>
SeaWorld Entertainment Inc.	110,455	8,385	133,259	(3,731)	18,150	—	—	—
Vanguard Market Liquidity Fund	317,137	NA <sup>2</sup>	NA <sup>2</sup>	53	20	3,100	—	199,831
Total	544,801			(10,132)	28,824	3,100	—	199,831

1 Not applicable—at October 31, 2020, the security was still held, but the issuer was no longer an affiliated company of the fund.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

J. Management has determined that no other events or transactions occurred subsequent to October 31, 2020, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Whitehall Funds and Shareholders of Vanguard Selected Value Fund

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vanguard Selected Value Fund (one of the funds constituting Vanguard Whitehall Funds, referred to hereafter as the "Fund") as of October 31, 2020, the related statement of operations for the year ended October 31, 2020, the statement of changes in net assets for each of the two years in the period ended October 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2020 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of October 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended October 31, 2020 and the financial highlights for each of the five years in the period ended October 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2020 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
December 17, 2020

We have served as the auditor of one or more investment companies in The Vanguard Group of Funds since 1975.

---

**Special 2020 tax information (unaudited) for Vanguard Selected Value Fund**

This information for the fiscal year ended October 31, 2020, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$710,522,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

The fund distributed \$121,300,000 of qualified dividend income to shareholders during the fiscal year.

The fund distributed \$4,595,000 of qualified business income to shareholders during the fiscal year.

For corporate shareholders, 100% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

# The People Who Govern Your Fund

The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 213 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at [vanguard.com](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (2019–present) of Vanguard and of each of the investment companies served by Vanguard; chief executive officer (2018–present) of Vanguard; chief executive officer, president, and trustee (2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Chairman of the board (2011–2017) and trustee (2009–2017) of the Children's Hospital of Philadelphia; and trustee (2018–present) and vice chair (2019–present) of The Shipley School.

## Independent Trustees

### Emerson U. Fullwood

Born in 1948. Trustee since January 2008. Principal occupation(s) during the past five years and other experience: executive chief staff and marketing officer for North America and corporate vice president (retired 2008) of Xerox Corporation (document management products and services). Former president of the Worldwide Channels Group, Latin

America, and Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology. Director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

### Amy Gutmann

Born in 1949. Trustee since June 2006. Principal occupation(s) during the past five years and other experience: president (2004–present) of the University of Pennsylvania. Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and professor of communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania.

### F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services) and the Lumina Foundation.

<sup>1</sup> Mr. Buckley is considered an "interested person," as defined in the Investment Company Act of 1940, because he is an officer of the Vanguard funds.

Director of the V Foundation. Member of the advisory council for the College of Arts and Letters and chair of the advisory board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

#### **Mark Loughridge**

Born in 1953. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: senior vice president and chief financial officer (retired 2013) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

#### **Scott C. Malpass**

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired June 2020) and vice president (retired June 2020) of the University of Notre Dame. Assistant professor of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee (retired June 2020). Member of the board of Catholic Investment Services, Inc. (investment advisors) and the board of superintendence of the Institute for the Works of Religion.

#### **Deanna Mulligan**

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: board chair (2020–present), chief executive officer (2011–2020), and president (2010–2019) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of the individual life and disability division of Guardian Life. Member of the board of the American Council of Life Insurers and the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, NewYork-Presbyterian Hospital, Catalyst, and the Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

#### **André F. Perold**

Born in 1952. Trustee since December 2004. Principal occupation(s) during the past five years and other experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011). Chief investment officer and co-managing partner of HighVista Strategies (private investment firm). Member of the board of advisors and member of the investment committee of the Museum of Fine Arts Boston. Member of the board (2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

#### **Sarah Bloom Raskin**

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director (2017–present) of i(x) Investments, LLC; director (2017–present) of Reserve Trust. Rubenstein Fellow (2017–present) of Duke University; trustee (2017–present) of Amherst College, and trustee (2019–present) of the Folger Shakespeare Library.

#### **Peter F. Volanakis**

Born in 1955. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2010) of Corning Incorporated (communications equipment) and director of Corning Incorporated (2000–2010) and Dow Corning (2001–2010). Director (2012) of SPX Corporation (multi-industry manufacturing). Overseer of the Amos Tuck School of Business Administration, Dartmouth College (2001–2013). Chairman of the board of trustees of Colby-Sawyer College. Member of the board of Hypertherm Inc. (industrial cutting systems, software, and consumables).

## Executive Officers

### John Bendis

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2019–present) of each of the investment companies served by Vanguard. Chief accounting officer, treasurer, and controller of Vanguard (2017–present). Partner (2003–2016) at KPMG (audit, tax, and advisory services).

### Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

### David Cermak

Born in 1960. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present) of each of the investment companies served by Vanguard. Managing director and head (2017–present) of Vanguard Investments Singapore. Managing director and head (2017–2019) of Vanguard Investments Hong Kong. Representative director and head (2014–2017) of Vanguard Investments Japan.

### John Galloway

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (September 2020–present) of each of the investment companies served by Vanguard. Head of Investor Advocacy (February 2020–present) and head of Marketing Strategy and Planning (2017–2020) at Vanguard. Deputy assistant to the President of the United States (2015).

### Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present), chief financial officer (2008–2019), and treasurer (1998–2008) of each of the investment companies served by Vanguard.

### Peter Mahoney

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Controller (2015–present) of each of the investment companies served by Vanguard. Head of International Fund Services (2008–2014) at Vanguard.

### Anne E. Robinson

Born in 1970. Principal occupation(s) during the past five years and other experience: general counsel (2016–present) of Vanguard. Secretary (2016–present) of Vanguard and of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Managing director and general counsel of Global Cards and Consumer Services (2014–2016) at Citigroup. Counsel (2003–2014) at American Express.

### Michael Rollings

Born in 1963. Principal occupation(s) during the past five years and other experience: finance director (2017–present) and treasurer (2017) of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Chief financial officer (2016–present) of Vanguard. Director (2016–present) of Vanguard Marketing Corporation. Executive vice president and chief financial officer (2006–2016) of MassMutual Financial Group.

### John E. Schadl

Born in 1972. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2019–present) of Vanguard and of each of the investment companies served by Vanguard. Assistant vice president (2019–present) of Vanguard Marketing Corporation.

## Vanguard Senior Management Team

Joseph Brennan  
Mortimer J. Buckley  
Gregory Davis  
John James  
John T. Marcante  
Chris D. McIsaac

James M. Norris  
Thomas M. Rampulla  
Karin A. Risi  
Anne E. Robinson  
Michael Rollings  
Lauren Valente



**Connect with Vanguard®** > [vanguard.com](https://www.vanguard.com)

**Fund Information** > 800-662-7447

**Direct Investor Account Services** > 800-662-2739

**Institutional Investor Services** > 800-523-1036

**Text Telephone for People Who Are Deaf or Hard of Hearing** > 800-749-7273

This material may be used in conjunction with the offering of shares of any Vanguard fund only if preceded or accompanied by the fund's current prospectus.

All comparative mutual fund data are from Lipper, a Thomson Reuters Company, or Morningstar, Inc., unless otherwise noted.

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, [www.sec.gov](https://www.sec.gov). In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or [www.sec.gov](https://www.sec.gov).

You can review information about your fund on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

Source for Bloomberg Barclays indexes: Bloomberg Index Services Limited. Copyright 2020, Bloomberg. All rights reserved.

CFA® is a registered trademark owned by CFA Institute.