

VBK

Vanguard Small Cap Growth ETF

Analyst Report

VBK seeks to replicate a benchmark which offers exposure small cap firms that exhibit growth characteristics in the U.S. equity market. The investment thesis behind small caps is that these firms are likely to provide strong growth prospects to a portfolio and should have a much easier time growing than their large cap counterparts. However, these securities are extremely volatile and can experience large losses or gains in a very short period of time. Despite their volatility, these products should probably be in every investors' portfolio as they tend to move somewhat independently of large caps and can be a better 'pure play' on the American economy. This particular ETF, since it focuses on growth securities, has certain biases in its portfolio holdings and may not offer as much of a cross section as funds such as IWM and be more volatile as well. However, VBK does an excellent job of dividing up assets as the fund holds close to 1,000 securities in total and doesn't give any one security more than 0.6% of the total assets. Thanks to this high level of diversification and VBK's ultra-low expense ratio, the fund could make for a superb addition to portfolios of investors who are looking for small caps but are seeking a higher risk/reward profile in the space. However, it should be noted that there are several other products in the category, namely IWO, PWT, and SLYG, that offer slightly more diversification although at higher prices, potentially making them better choices for certain long-term investors.

ESG Themes and Scores

5.65/10

ESG Rate

25.65%

Global Percentile

36.36%

Peer Percentile

Performance Data

	VBK	ETF Database Category Average	Factset Segment Average
1 Month	5.63%	6.04%	7.33%
3 Month	15.24%	15.96%	17.39%
YTD Return	18.15%	18.30%	16.54%
1 Year Return	32.71%	34.80%	27.82%
3 Year Return	16.94%	14.81%	11.91%
5 Year Return	5.34%	5.22%	3.44%

Top 5 Holdings

Symbol	Holding	% Assets
Other	U.S. Dollar	2.66%
ALAB	Astera Labs, Inc.	1.37%
CIEN	Ciena Corporation	1.14%
RKLB	Rocket Lab Corporation	1.13%
CRDO	Credo Technology Group Holding Ltd.	1.06%

Vitals

Issuer	Vanguard
Brand	Vanguard
Structure	ETF
Expense Ratio	0.05%
Inception	Jan 26, 2004
Index Tracked	CRSP U.S. Small Cap Growth Index

ETF Database Themes

Category	Small Cap Growth Equities
Asset Class	Equity
Asset Class Size	Small-Cap
Asset Class Style	Growth
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Equity: U.S. - Small Cap Growth
Category	Size and Style
Focus	Small Cap
Niche	Growth
Strategy	Growth
Weighting	Multi-Factor

