Vanguard Short-Term Corporate Bond ETF
As of June 30, 2017

Investment approach

- Seeks to track the performance of the Bloomberg Barclays U.S. 1–5 Year Corporate Bond Index.
- Diversified exposure to the short-term investment-grade U.S. corporate bond market.
- Follows a passively managed, index sampling approach.
- Provides current income with high credit quality.

About the benchmark

- The Bloomberg Barclays U.S. 1–5 Year Corporate Bond Index measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 1 and 5 years.

Performance history

Total returns for period ended in June 30, 2017

<table>
<thead>
<tr>
<th>VCSH (Inception 11/19/2009)</th>
<th>Quarter to date</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net asset value (NAV) return</td>
<td>0.86%</td>
<td>1.35%</td>
<td>1.95%</td>
<td>2.36%</td>
<td>3.03%</td>
</tr>
<tr>
<td>Market price return</td>
<td>0.96</td>
<td>1.79</td>
<td>1.13</td>
<td>1.99</td>
<td>2.30</td>
</tr>
<tr>
<td>Bloomberg Barclays U.S. 1–5 Year Corporate Bond Index</td>
<td>0.93</td>
<td>1.87</td>
<td>1.58</td>
<td>2.08</td>
<td>2.52</td>
</tr>
</tbody>
</table>

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.

Investors cannot invest directly in an index.

ETF attributes

<table>
<thead>
<tr>
<th>Short-Term Corporate Bond ETF</th>
<th>Bloomberg Barclays U.S. 1–5 Year Corporate Bond Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of bonds</td>
<td>2,104</td>
</tr>
<tr>
<td>Average duration</td>
<td>2.9 years</td>
</tr>
<tr>
<td>Average effective maturity</td>
<td>3.1 years</td>
</tr>
<tr>
<td>Turnover rate</td>
<td>57.3%</td>
</tr>
<tr>
<td>Short-term reserves</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Investment focus

- Duration
- Quality

Quick facts

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Bloomberg Barclays U.S. 1–5 Year Corporate Bond Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense ratio</td>
<td>0.07%</td>
</tr>
<tr>
<td>Dividend schedule</td>
<td>Monthly</td>
</tr>
<tr>
<td>ETF total net assets</td>
<td>$19,603 million</td>
</tr>
<tr>
<td>Fund total net assets</td>
<td>$23,842 million</td>
</tr>
<tr>
<td>Inception date</td>
<td>November 19, 2009</td>
</tr>
</tbody>
</table>

Trading information

- Ticker symbol | VCSH
- CUSIP number | 92206C409
- IV (intra-day ticker) | VCSH.IV
- Index ticker (Bloomberg) | BUC1TRUU
- Exchange | NASDAQ

Notes:

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.
Expense ratio comparison

- Vanguard Short-Term Corporate Bond ETF: 0.77%
- Short-Int Inv Grade Debt Funds Avg: 0.17%
- Short-Term Corporate Bond ETF: 0.07%

Distribution by effective maturity

- Under 1 Year: 0.6%
- 1 - 3 Years: 49.3%
- 3 - 5 Years: 49.9%
- 5 - 10 Years: 0.2%
- 10 - 20 Years: 0.0%
- 20 - 30 Years: 0.0%
- Over 30 Years: 0.0%

Distribution by credit quality

- U.S. Government: 0.6%
- Aaa: 1.4%
- Aa: 13.2%
- A: 41.3%
- Baa: 43.5%
- Less Than Baa: 0.0%

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, 2016.

2. Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). “NR” is used to classify securities for which a rating is not available. NR securities may include a fund’s investment in Vanguard Market Liquidity Fund or Vanguard Municipal Cash Management Fund, each of which invests in high-quality money market instruments and may serve as a cash management vehicle for the Vanguard funds, trusts, and accounts. U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities appear under “U.S. Government.” Credit-quality ratings for each issue are obtained from Barclays using ratings derived from Moody’s Investors Service (Moody’s), Fitch Ratings (Fitch), and Standard & Poor’s (S&P). When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Vanguard ETF Shares are subject to risk, which may result in the loss of principal. Investments in bond ETF products are subject to interest rate, credit, and inflation risk. The Products are not sponsored, endorsed, sold or promoted by Barclays Risk Analytics and Index Solutions Limited or its affiliates (“Barclays”). Barclays does not make any representation regarding the advisability of investing in the Products or the advisability of investing in securities generally. Barclays’ only relationship with Vanguard is the licensing of the Index which is determined, composed and calculated by Barclays without regard to Vanguard or the [Products]. Barclays has no obligation to take the needs of Vanguard or the owners of the Products into consideration in determining, composing or calculating the Index. Barclays has no obligation or liability in connection with administration, marketing or trading of the Products.

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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