

Vanguard Mortgage-Backed Securities ETF

VMBS

As of March 31, 2021

Investment approach

- Seeks to track the performance of the Bloomberg Barclays U.S. MBS Float Adjusted Index.
- Diversified exposure to intermediate-term U.S. agency mortgage-backed pass-through securities issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).
- Follows a passively managed, index-sampling approach.
- Provides current income with high credit quality.

About the benchmark

- The Bloomberg Barclays U.S. MBS Index measures the investment return of U.S. agency mortgage-backed pass-through securities issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Performance history

Total returns² for period ended March 31, 2021

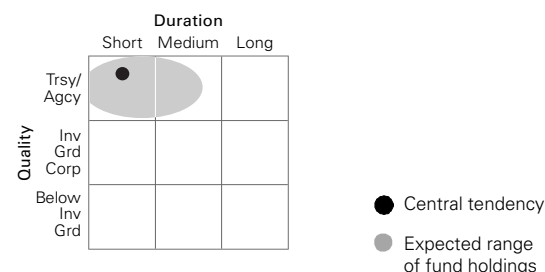
VMBS (Inception 11/19/2009)	Quarter	Year to date	1 year	3 years	5 years	10 years	Since inception
Net asset value (NAV) return ³	-1.10%	-1.10%	-0.55%	3.62%	2.32%	2.70%	2.83%
Market price return ⁴	-1.13	-1.13	-0.30	3.63	2.32	2.71	2.83
Bloomberg Barclays U.S. MBS Float Adjusted Index	-1.06	-1.06	-0.06	3.69	2.40	2.78	2.88

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.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value

Investment focus



Quick facts

Benchmark	Bloomberg Barclays U.S. MBS Float Adjusted Index
Expense ratio ¹	0.05%
Dividend schedule	Monthly
ETF total net assets	\$13,898 million
Fund total net assets	\$15,289 million
Inception date	November 19, 2009

Trading information

Ticker symbol	VMBS
CUSIP number	92206C771
IIV (intra-day ticker)	VMBS.IV
Index ticker (Bloomberg)	LMBGTRUU
Exchange	NASDAQ

ETF attributes

	Mortgage-Backed Securities ETF	Bloomberg Barclays U.S. MBS Float Adjusted Index
Number of bonds	1,055	449
Average duration	5.0 years	4.0 years
Average effective maturity	5.2 years	5.5 years
Turnover rate ⁵	217.9	—
Short-term reserves	0.0	—

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.

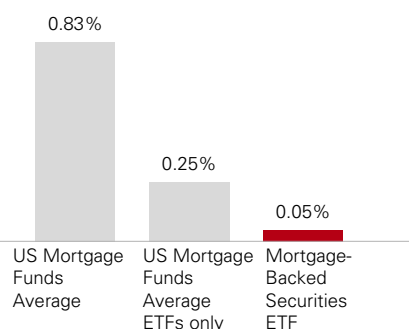
⁵ For most recent fiscal year. Turnover rate excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including Vanguard ETF Creation Units.

Vanguard Mortgage-Backed Securities ETF

As of March 31, 2021

VMBS

Expense ratio comparison ¹



Distribution by issuer

Government Mortgage-Backed	99.8%
Other	0.2

Distribution by credit quality²

U.S. Government	99.8%
Not Rated	0.2

Distribution by effective maturity

Under 1 Year	0.3%
1 - 5 Years	55.0
5 - 10 Years	44.7

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 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 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. Investments in bond ETF products are subject to interest rate, credit, and inflation risk.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS® is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg"), or Bloomberg's licensors own all proprietary rights in the Bloomberg Barclays Indices. The products are not sponsored, endorsed, issued, sold or promoted by "Bloomberg or Barclays". Bloomberg and Barclays make no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Barclays Indices to track general bond market performance. Neither Bloomberg nor Barclays has passed on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Barclays Indices which are determined, composed and calculated by BISL without regard to Vanguard or the products or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products or the owners of the products into consideration in determining, composing or calculating the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Neither Bloomberg nor Barclays has any obligation or liability in connection with the administration, marketing or trading of the products.

CGS identifiers have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services, LLC, and are not for use or dissemination in a manner that would serve as a substitute for any CUSIP service. The CUSIP Database, © 2021 American Bankers Association. "CUSIP" is a registered trademark of the American Bankers Association.

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.

© 2021 The Vanguard Group, Inc. All rights reserved. U.S. Patent Nos. 6,879,964; 7,337,138; 7,720,749; 7,925,573; 8,090,646; 8,417,623; and 8,626,636. Vanguard Marketing Corporation, Distributor. FA3148_0321