

Vanguard ESG U.S. Corporate Bond ETF | VCEB

As of December 31, 2023

Investment approach

- Seeks to track the performance of the Bloomberg MSCI U.S. Corporate SRI Select Index.
- Includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable bonds with greater than one year maturity.
- Screened for certain environmental, social and corporate governance (ESG) criteria.
- Specifically excludes bonds of companies that the index provider determines engage in, have a specified level of involvement in, and/or derive threshold amounts of revenue from certain activities or business segments related to the following: adult entertainment, alcohol, gambling, tobacco, nuclear weapons, controversial weapons, conventional weapons, civilian firearms, nuclear power, and thermal coal, oil, or gas.
- Additionally, the index excludes bonds of companies that, as determined by the index provider, do not meet certain standards defined by the index provider with respect to an ESG controversies assessment, as well as companies that do not meet certain diversity criteria.
- Follows a passively managed, index-sampling approach.
- Provides current income with high grade credit quality.

See important note on page 2

Performance history

Total returns² for period ended December 31, 2023

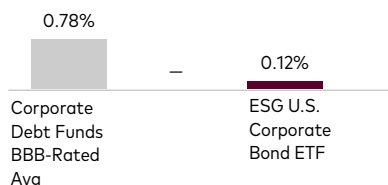
VCEB (Inception 2020-09-22)	Quarter	Year to date	1 year	3 years	Since inception
Net asset value (NAV) return ³	8.12%	8.51%	8.51%	-3.27%	-2.50%
Market price return ⁴	8.34	8.66	8.66	-3.31	-2.44
Bloomberg MSCI U.S. Corporate SRI Select Index	8.23	8.44	8.44	-3.23	-2.39

³The index is a subset of the Bloomberg U.S. Corporate Index, which serves as the universe of eligible bonds for use in constructing the index and represents U.S. dollar-denominated, taxable, investment-grade corporate bonds. The index excludes bonds with maturities of less than 1 year and with less than \$750 million outstanding, and is screened for certain ESG criteria by the index provider, which is independent of Vanguard.

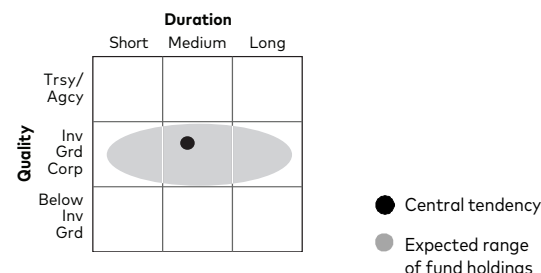
The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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.

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

Expense ratio comparison⁶



Investment focus



Quick facts

Benchmark	Bloomberg MSCI U.S. Corporate SRI Select Index
Expense ratio ¹	0.12%
Dividend schedule	Monthly
ETF total net assets	\$500 million
Fund total net assets	\$500 million
Inception date	September 22, 2020

Trading information

Ticker symbol	VCEB
CUSIP number	921910691
IIV (intra-day ticker)	VCEB.IV
Index ticker (Bloomberg)	I35653US
Exchange	CBOE

ETF attributes

	ESG U.S. Corporate Bond ETF	Bloomberg MSCI U.S. Corporate SRI Select Index
Number of bonds	2,677	2,717
Average duration	6.6 years	6.7 years
Average effective maturity	9.9 years	9.9 years
Turnover rate ⁵	27.9	—
Short-term reserves	0.0	—



Produced by MSCI ESG Research as of 12/31/2022.

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.

6. A measure of the volatility of a fund—based on the fund's last three years of monthly returns—used to indicate the dispersion of past returns. A higher standard deviation means a greater potential for volatility. For funds with less than 36 months of performance history, standard deviation is not calculated.

7. 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, 2022.

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Distribution by effective maturity

Under 1 Year	0.2%
1 - 5 Years	39.5
5 - 10 Years	28.3
10 - 15 Years	7.5
15 - 20 Years	5.5
20 - 25 Years	7.0
Over 25 Years	12.0

Distribution by issuer

Finance	45.8%
Industrial	54.0
Treasury/Agency	0.1
Utilities	0.1

Distribution by credit quality ¹

U.S. Government	0.1%
Aaa	1.5
Aa	6.6
A	51.0
Baa	40.8
Not Rated	0.0

Important Note: The index excludes the bonds of companies that the index provider determines engage in (which may include manufacturing, owning, and operating), have a specified level of involvement in, and/or derive threshold amounts of revenue from one or more of the following activities: (i) production, distribution, and retail of adult entertainment materials; (ii) production, distribution, retail, and supply of alcohol related products; (iii) involvement in certain gambling related business activities; (iv) production, distribution, retail, supply, and licensing of, tobacco related products; (v) manufacture of nuclear weapons or key nuclear weapons components; (vi) manufacture of biological and chemical weapons or key biological and chemical weapons components; cluster munitions whole weapons systems, components, or delivery platforms; landmines whole systems or components; or involvement in the production of depleted uranium (DU) weapons, ammunition, and armor; (vii) production of conventional weapons and components or involvement with conventional weapons support systems and services; (viii) production and/or distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use (companies that cater to the military, government, and law enforcement markets are not included in the foregoing); (ix) ownership or operation of nuclear power plants or active uranium mines; involvement in uranium enrichment and processing; involvement in the design and engineering of nuclear power reactors; or supplying nuclear power activities; and (x) have an industry tie to fossil fuels (thermal coal, oil and gas), in particular, reserve ownership, related revenues and power generation (companies providing evidence of owning metallurgical coal reserves are not included in the foregoing). The level or type of involvement in, or amount of revenue earned from, certain activities or business segments that lead to exclusion by the index provider can vary from one activity or business segment to another. In addition, the index methodology excludes the bonds of companies that, as determined by the index provider, do not meet certain standards defined by the index provider with respect to an ESG controversies assessment or do not have an ESG controversy assessment score. The ESG controversies assessment measures a company's involvement in major ESG controversies and how well they adhere to international norms and principles. Where MSCI, the index provider's data source, has insufficient or no data available to adequately assess a particular issuer relative to the ESG criteria of the index, bonds of such issuer may be excluded from the index until such time as they may be determined to be eligible by MSCI. Additionally, the index excludes bonds of companies that fail to have at least one woman on their board of directors and companies for which the index provider does not have board diversity data. The screens for ESG criteria described above do not apply to government-issued bonds (e.g., U.S. Treasury securities), asset-backed securities, mortgage-backed securities, and commercial mortgage-backed securities.

1. 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 Bloomberg 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.

ESG funds are subject to ESG investment risk, which is the chance that the stocks or bonds screened by the index provider or advisor, as applicable, for ESG criteria generally will underperform the market as a whole or, in the aggregate, will trail returns of other funds screened for ESG criteria. The index provider or advisor's assessment of a company, based on the company's level of involvement in a particular industry or their own ESG criteria, may differ from that of other funds or an investor's assessment of such company. As a result, the companies deemed eligible by the index provider or advisor may not reflect the beliefs and values of any particular investor and may not exhibit positive or favorable ESG characteristics. The evaluation of companies for ESG screening or integration is dependent on the timely and accurate reporting of ESG data by the companies. Successful application of the screens will depend on the index provider or advisor's proper identification and analysis of ESG data. The advisor may not be successful in assessing and identifying companies that have or will have a positive impact or support a given position. In some circumstances, companies could ultimately have a negative or no impact or support of a given position.

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. MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. "Bloomberg®" is a service mark of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Vanguard. Bloomberg is not affiliated with Vanguard, and Bloomberg does not approve, endorse, review, or recommend the products. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to 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, © 2024 American Bankers Association. "CUSIP" is a registered trademark of the American Bankers Association.

For more information about Vanguard ETF Shares, visit [vanguard.com](https://www.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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Data presented on this page are at the fund level

Benchmark: Bloomberg MSCI U.S. Corporate SRI Select Index

Parent benchmark¹: US Corporate Investment Grade

Climate metrics

The metrics provided in this section are for informational purposes only and should not be considered in isolation, but rather alongside other information about the fund. The information may be useful to assist investors to evaluate the fund's climate risks and opportunities but is not an indication of whether or how the fund takes climate considerations into account. Unless otherwise stated in the fund's prospectus, the metrics are not considered as part of the fund's investment objective, principal investment strategies, or in Vanguard's internal investment decision processes. For more information regarding the fund's investment objective and strategy, please refer to the fund's prospectus.

Metric ²	Definition	Purpose	Fund*	Fund coverage ³	Parent benchmark*	Parent benchmark coverage*
Fund scope 1 emissions (m tCO ₂ e)	Direct greenhouse gas (GHG) emissions associated with a fund's investments.	To understand the GHG emissions that occur from sources owned or controlled by the fund's portfolio companies. (e.g., emissions from combustion in owned or controlled boilers, furnaces, vehicles etc.)	2,953	99.28%	—	—
Fund scope 2 emissions (m tCO ₂ e)	Indirect GHG emissions associated with the fund's investments.	To understand the GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the fund's portfolio companies. (e.g., emissions that physically occur at the facility where the electricity, steam, heating or cooling is generated)	2,068	97.43%	—	—
Total carbon footprint (tCO ₂ e / \$M invested)	Total carbon emissions for a fund normalized by the market value of the fund.	To understand how much carbon emissions the fund is responsible for per USD 1 million invested. This metric allows investors to compare portfolios of various sizes.	10.21	99.47%	54.44	91.46%
Weighted average carbon intensity (tCO ₂ e / \$M revenue)	Fund's exposure to carbon-intensive companies.	Reflects the carbon intensity of a fund across asset classes. (e.g., carbon-intensive funds may be more susceptible to climate-related risks, like increased regulations leading to higher costs either via taxation or operational changes)	28.12	100.00%	261.26	98.94%

*Source: Calculated using Vanguard holdings and MSCI Climate Change data as of 2023-12-31⁴. MSCI is an independent data provider⁵.

Benchmark exclusions⁶

The benchmark seeks to avoid or reduce exposure to companies based on certain environmental, social, and/or governance criteria. The following section informs investors of the extent to which companies are excluded from the parent benchmark as a result of the index provider's exclusion criteria. The below data may look different from the fund's outcomes depending on the fund's replication and/or sampling strategy.

Exclusions category	Constituents excluded from parent benchmark*	Weight excluded from parent benchmark*	Top 5 constituents excluded (by weight)*
Controversies	357	2.36%	BHP BILLITON FINANCE (USA) LIMITED, VALE OVERSEAS LIMITED, COREBRIDGE FINANCIAL, INC., KAISER FOUNDATION HOSPITALS, ArcelorMittal SA
Diversity	406	2.99%	SABINE PASS LIQUEFACTION, LLC, ENERGY TRANSFER LP, SOUTHERN COPPER CORPORATION, CHENIERE ENERGY PARTNERS, L.P., COREBRIDGE FINANCIAL, INC.
Non-Renewable Energy	2,046	19.65%	Shell International Finance B.V., PACIFIC GAS AND ELECTRIC COMPANY, EXXON MOBIL CORPORATION, NEXTERA ENERGY CAPITAL HOLDINGS, INC., BHP BILLITON FINANCE (USA) LIMITED
Vice Products	826	12.59%	ANHEUSER-BUSCH COMPANIES, LLC, CVS HEALTH CORPORATION, AT&T INC., ANHEUSER-BUSCH INBEV WORLDWIDE INC., Deutsche Telekom International Finance B.V.
Weapons	302	3.72%	THE BOEING COMPANY, RTX CORPORATION, Northrop Grumman Corporation, WALMART INC., L3HARRIS TECHNOLOGIES, INC.

*Source: MSCI as of 2023-12-29. Constituents can be excluded under multiple categories and the above numbers are not mutually exclusive.

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Vanguard does not provide any guarantee with respect to the quality, accuracy, or completeness of the information provided by Morningstar, MSCI, or FTSE Russell.

1. **Parent Benchmark** refers to the broad market index from which the fund's benchmark is derived, prior to the screening of any environmental, social, and governance criteria.
2. Metrics are aligned to the [TCFD's 2021 implementation guidance](#) and the methodology of the [Partnership for Carbon Accounting Financials \(PCAF\)](#). **Fund scope 1 emissions** are calculated by summing the product of the fund's percentage ownership of each investee company's enterprise value including cash (EVIC) by the investee company's Scope 1 emissions, expressed in metric tons of carbon dioxide equivalent (tCO₂e). **Fund scope 2 emissions** are calculated by summing the product of the fund's percentage ownership of each investee company's EVIC by the investee company's Scope 2 emissions, expressed in tCO₂e. **Total carbon footprint** is calculated by summing the product of each investee company's weight by the investee company's Scopes 1 & 2 emissions, and dividing the summation by the total market value of the portfolio, expressed in tCO₂e per \$1 million invested. **Weighted average carbon intensity (WACI)** is calculated by summing the product of each investee company's weight in the portfolio with that investee company's carbon intensity (derived by dividing the investee company's Scopes 1 & 2 emissions by its revenue), expressed in tCO₂e per \$1 million in revenue. For more information on the sources of that data and how Vanguard determines its accuracy, see footnote 4 or visit our website at https://corporate.vanguard.com/content/dam/corp/what-we-care-about/pdf/vanguards_greenhouse_gas_emissions_and_goals_methodology.pdf
3. Coverage is defined as the percentage of eligible securities within our funds and benchmarks for which we have obtained carbon data. The development of carbon metrics is in early stages resulting in challenges in interpreting the data and using it as a basis for investment decision making. For example, the metrics are backward looking and do not recognize future plans to reduce emissions. Carbon metrics may also vary due to being normalized by financial metrics that are prone to market volatility, rather than due to changes to the emissions profile of companies.
4. Vanguard relies on emissions data provided by MSCI ESG Research LLC. MSCI collects publicly available emissions data from company-reported sources, government agencies, nongovernmental organizations, and media sources. Vanguard relies on the accuracy of the data provided by MSCI. To Vanguard's knowledge, MSCI does not receive third-party assurances regarding the accuracy of the underlying information. Vanguard does not independently review the accuracy of data published by MSCI nor retain independent third-party verification services to review that data.
5. Certain information © 2024 MSCI ESG Research LLC. Reproduced by permission. These metrics were developed using information from MSCI ESG Research LLC or its affiliates or information providers. Although the Vanguard Group, Inc.'s and Vanguard's information providers including without limitation, MSCI ESG Research LLC and its affiliates (each of the aforementioned parties being the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or 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.
6. Refer to the fund's prospectus for more information on the applicable ESG screening methodology.