

Vanguard Real Estate ETF

As of September 30, 2020

Investment approach

- Seeks to track the performance of the MSCI US Investable Market Real Estate 25/50 Index.
- Equity real estate investment trusts.
- Passively managed, full-replication approach.
- Low expenses minimize net tracking error.

About the benchmark

- The MSCI US Investable Market Real Estate 25/50 Index includes stocks of U.S. companies within the Real Estate sector.
- The sector includes real estate management and development companies in addition to real estate investment trusts (REITs).
- Uses GICS methodology and clearly classified sectors.
- Offers broad representation of the target sector across large-, medium-, and small-cap companies.

Performance history

Total returns² for period ended September 30, 2020

	Quarter	Year to date	1 year	3 years	5 years	10 years	Since inception
VNQ (Inception 09/23/2004)							
Net asset value (NAV) return ³	1.31%	-12.79%	-12.26%	2.34%	5.21%	8.49%	7.68%
Market price return ⁴	1.31	-12.76	-12.26	2.34	5.21	8.49	7.68
Real Estate Spliced Index	1.35	-12.66	-12.10	2.46	5.32	8.59	7.26

MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

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

Quick facts

Benchmark	MSCI US Investable Market Real Estate 25/50 Index
Expense ratio ¹	0.12%
Dividend schedule	Quarterly
ETF total net assets	\$27,689 million
Fund total net assets	\$55,163 million
Inception date	September 23, 2004

Trading information

Ticker symbol	VNQ
CUSIP number	922908553
IIV (intra-day ticker)	VNQ.IV
Index ticker (Bloomberg)	M2CXVGD
Exchange	NYSE Arca

ETF attributes

	Real Estate ETF	MSCI US Investable Market Real Estate 25/50 Index
Number of stocks	181	178
Median market cap	\$19.1B	\$19.1B
Price/earnings ratio	31.3x	31.6x
Price/book ratio	2.3x	2.3x
Return on equity	6.4%	6.1%
Earnings growth rate	12.1%	12.0%
Turnover rate ⁵	5.8	—
Standard deviation ⁶	18.01%	18.01%



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.

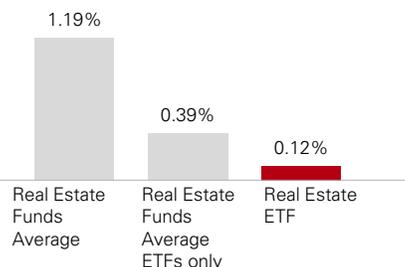
⁶ A measure of the volatility of a fund—based on the fund's last three years of monthly returns—used to indicate the dispersion of past returns. A higher standard deviation means a greater potential for volatility. For funds with less than 36 months of performance history, standard deviation is not calculated.

Vanguard Real Estate ETF

As of September 30, 2020

VNO

Expense ratio comparison ¹



Ten largest holdings and % of total net assets ²

Vanguard Real Estate II Index Fund	12.3%
American Tower Corp.	8.5
Prologis Inc.	5.9
Crown Castle International Corp.	5.5
Equinix Inc.	5.3
Digital Realty Trust Inc.	2.9
SBA Communications Corp.	2.8
Public Storage	2.7
Welltower Inc.	1.8
Weyerhaeuser Co.	1.7
Top ten as % of total net assets	49.4%

Market capitalization breakdown

Large Cap	38.4%
Medium/Large Cap	0.0
Medium Cap	28.7
Medium/Small Cap	16.6
Small Cap	16.2

Subindustry diversification as % of common stock ³

Specialized REITs	42.0%
Residential REITs	13.2
Industrial REITs	11.5
Health Care REITs	8.6
Retail REITs	8.1
Office REITs	7.4
Diversified REITs	3.5
Real Estate Services	2.7
Hotel & Resort REITs	2.5
Real Estate Development	0.2
Real Estate Operating Companies	0.2
Diversified Real Estate Activities	0.1

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, 2019.

² The holdings listed exclude any temporary cash investments and equity index products.

³ 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.

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. Sector ETF products are subject to sector risks and non-diversification risks, which may result in performance fluctuations that are more extreme than fluctuations in the overall stock market.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. The prospectus or the *Statement of Additional Information* contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.

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, © 2020 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.

© 2020 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. FA0986_0920