VANGUARD FIXED INCOME

Capital Preservation

Protect capital while generating modest returns through conservative fixed income investments.

Consider this portfolio if you:

- Prioritize capital protection over growth.
- Want to reduce risk while pursuing short-term goals.
- Are comfortable with the potential for lower returns in exchange for limiting volatility and risk.

The focus:

- Protect assets and minimize volatility.
- High-quality, short-duration government bonds.

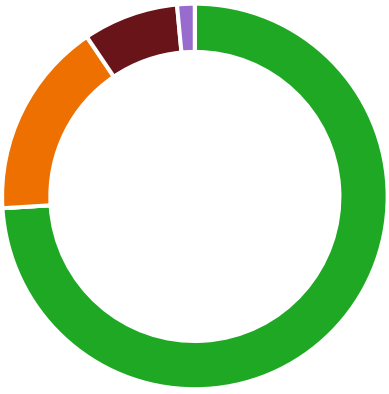
Asset allocation by product[1]

As of September 30, 2026.

PRODUCT	TICKER	EXPENSE RATIO[2]	100% fixed income
U.S. fixed income			
Ultra-Short Bond ETF	VUSB	0.10%	19.6%
Short Duration Bond ETF	VSDB	0.15%	8.9%
0–3 Month Treasury Bill ETF	VBIL	0.06%	4.9%
Short-Term Treasury ETF	VGSH	0.03%	64.6%
Cash			2.0%
Weighted average expense ratio[2]			**0.06%**

Portfolio allocation

As of September 30, 2026.



Government	74.03%
Municipal	0.00%
Corporate	16.50%
Securitized	7.99%
Cash and equivalents	1.48%
Derivative	0.00%

Source: Morningstar.

1 Allocations may not total to 100% due to rounding.

2 Based on expenses as reported in each fund's most recent prospectus as of September 30, 2026. The current expense ratio may be higher or lower than the figure shown.

Hypothetical model portfolio performance

As of September 30, 2026.

				ANNUALIZED				
EXPENSE RATIO: 0.06%	**QUARTER (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**10-YEAR (%)**	**SINCE INCEPTION (%)**	**INCEPTION DATE**
Gross	-0.05	0.97	2.13	—	—	—	2.74	6/30/2025
Net advisory fee	-0.80	-1.28	-0.87	—	—	—	-0.26	6/30/2025

The performance data shown represent hypothetical performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so an investor's shares, when sold, may be worth more or less than their original cost. Actual performance may be lower or higher than the performance data cited. For performance data current to the most recent month end, visit 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. Gross/Net performance results: Performance results labeled gross reflect model performance before the deduction of advisory program fees. Performance results labeled net reflect performance after the deduction of a proxy fee rate of 3%. The actual advisory fee rate applicable to an investment in this model may differ from the maximum program fee rate.

Performance of the model components is based on net asset value (NAV) return. Performance figures assume the reinvestment of dividends and capital gains distributions; the figures are pre-tax and net of expenses (except advisory fee) of the underlying funds. The hypothetical model portfolio is rebalanced quarterly to the new asset allocation.

The model portfolio performance data are calculated by obtaining the asset-weighted monthly returns of the strategy component holdings for each period and are based upon the historical asset allocations at the beginning of each month during the periods shown, which may differ from the current allocation. The holdings making up the strategies and the allocations to those holdings have changed over time and may change in the future. The historical model performance has not been adjusted to reflect current allocations. Model performance does not reflect any transaction costs that an investor may incur in implementing the models.

Underlying fund performance

As of September 30, 2026.

PRODUCT	TICKER	EXPENSE RATIO[3] (%)		QUARTER (%)	YTD (%)	1-YEAR (%)	ANNUALIZED 3-YEAR (%)	5-YEAR (%)	10-YEAR (%)	SINCE INCEPTION (%)	INCEPTION DATE
U.S. fixed income											
Ultra-Short Bond ETF	VUSB	0.10	Market price	0.59	2.24	3.44	5.12	3.57	—	3.33	4/05/2021
			NAV	0.64	2.31	3.49	5.13	3.59	—	3.33	
Short Duration Bond ETF	VSDB	0.15	Market price	-1.08	0.19	1.59	—	—	—	3.70	4/01/2025
			NAV	-0.99	0.28	1.64	—	—	—	3.65	
0–3 Month Treasury Bill ETF	VBIL	0.06	Market price	0.93	2.71	3.75	—	—	—	3.95	2/07/2025
			NAV	0.92	2.71	3.74	—	—	—	3.94	
Short-Term Treasury ETF	VGSH	0.03	Market price	-0.20	0.44	1.53	4.03	1.82	1.70	1.37	11/19/2009
			NAV	-0.18	0.48	1.60	4.05	1.83	1.71	1.37	
Cash[4]				0.97	2.86	3.91	4.71	3.88	2.50	—	

The underlying fund performance is shown to illustrate the impact of each individual fund's performance to the overall strategy. It is the investment advisor's responsibility to determine the appropriateness of the model portfolios, or any of the securities included therein, for any client.

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.

Effective July 15, 2024, the market price returns are calculated using the official closing price as reported by the ETF's primary exchange. Prior to July 15, 2024, the market price returns were calculated using the midpoint between the bid and ask prices as of the closing time of the New York Stock Exchange (typically 4 p.m., Eastern time). The returns shown do not represent the returns you would receive if you traded shares at other times.

Visit advisors.vanguard.com to schedule an analytics consultation

Schedule a meeting with one of our portfolio specialists today. We can review your clients' current allocations and recommend necessary adjustments to increase the stability and performance of their portfolios. Draw on our specialists' expertise and access to sophisticated modeling tools to ensure that each of your clients' portfolios is optimally balanced and aligned with their unique risk tolerances and investment goals.

3 Based on expenses as reported in each fund's most recent prospectus as of September 30, 2026. The current expense ratio may be higher or lower than the figure shown.

4 The cash allocation represents a typically required allocation by advisors to short-term reserves in order to pay for platform and advisory fees. The allocation to cash is illustrated by the performance of the FTSE 3 Month US T-Bill Index.

For more information on Vanguard funds and Vanguard ETFs, visit advisors.vanguard.com or call 800-997-2798 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.

Vanguard ETF Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy and 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 investing is subject to risk, including the possible loss of the money you invest. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

Vanguard Federal Money Market Fund: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

Vanguard does not, and will not, make any representations about whether a model portfolio is in the best interest of any investor; is not, and will not be, responsible for the determination of whether a model portfolio is in the best interests of any investor; and is not acting as an investment advisor to any investor.

IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More importantly, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

The Vanguard Capital Markets Model is a proprietary financial simulation tool developed and maintained by Vanguard's primary investment research and advice teams. The model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time.

The Vanguard model portfolios are provided for illustrative and educational purposes only. The Vanguard model portfolios do not constitute research, are not personalized investment advice or an investment recommendation from Vanguard to any client of a third party financial professional and are intended for use only by a third party financial professional, with other information, as a resource to help build a portfolio or as an input in the development of investment advice for its own clients. Such financial professionals are responsible for making their own independent judgment as to how to use the Vanguard model portfolios.

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