

VSDB

Vanguard Short Duration Bond ETF

Fund Description

VSDB is actively managed, investing in US and foreign fixed income securities of any credit quality, but predominantly in investment-grade bonds. It seeks to maintain a dollar weighted average maturity of 1 to 5 years, and a portfolio duration of 1 to 4 years.

FactSet Analyst Report

VSDB seeks broad exposure to the global fixed income market, focusing on short-term bonds. It is an actively managed fund comprised of various debt securities by US and non-US issuers, including emerging market countries. Its investments include corporate and government debt, asset-backed and mortgage-backed securities, as well as mortgage-related securities. The fund will hold bonds of any credit quality but caps its high-yield rated securities at 25% of its portfolio making it primarily composed of investment-grade debt. To uphold its short-term claim, it aims to maintain a dollar-weighted average maturity of 1 to 5 years, with an average portfolio duration of 1 to 4 years only. The fund may also invest in options, futures contracts, other swap agreements, and TBA mortgage-backed securities. Note that VSDB plans to have most of its assets denominated in or hedged back to USD, maintaining the ability to invest in foreign-denominated bonds on an unhedged basis.