

# VSDM

## Vanguard Short Duration Tax-Exempt Bond ETF

### Fund Description

VSDM is an actively managed portfolio of USD-denominated tax-exempt municipal bonds with an average duration of 1.5 to 5 years. The fund may hold up to 20% in below investment-grade bonds.

### FactSet Analyst Report

VSDM is an actively managed ETF that seeks tax-exempt income with limited price volatility. It primarily invests in US dollar-denominated municipal bonds issued by US states or local agencies. Interest is exempt from federal income taxes and alternative minimum tax (AMT). The fund does not have maturity limitations on individual securities, but it typically maintains a dollar-weighted average maturity of 2 to 7 years and an average portfolio duration of 1.5 to 5 years. The majority of assets are invested in investment-grade bonds, rated A3 or better by Moody's or equivalent. Investments in junk bonds are limited to 20% of assets. The fund follows a portfolio manager-driven process, incorporating top-down and bottom-up insights. As a fundamental policy, at least 80% of assets are invested in tax-exempt securities under normal market conditions.