

VTES

Vanguard Short-Term Tax Exempt Bond ETF

Fund Description

VTES tracks a market value-weighted index of tax-exempt investment grade debt issued by US state and local governments or agencies. The fund includes muni bonds with an effective maturity below seven years.

FactSet Analyst Report

VTES is passively managed to hold USD-denominated municipal bonds issued by state and local governments or agencies whose interest is federal tax-exempt and AMT-free. Eligible securities must have a rating of at least investment grade, a minimum par amount of \$25 million, and a remaining term to maturity between one month and seven years. The fund seeks to maintain a dollar-weighted average maturity consistent with the index, which typically does not exceed four years. Short-term is defined quite differently for this fund as its underlying index reaches out to the intermediate bond space. The fund uses a sampling strategy to track the market value-weighted index, which rebalances monthly. As with all Vanguard ETFs, VTES only discloses its holdings monthly.