



Vanguard REIT ETF

As of September 30, 2014

VNQ

Investment approach

- Seeks to track the performance of the MSCI US REIT Index.
- Equity real estate investment trusts.
- Employs a passively managed, full-replication strategy.
- Benchmark index covers two-thirds of the REIT market.
- Low expenses minimize net tracking error.

About the benchmark

- The MSCI US REIT Index covers approximately two-thirds of the U.S. REIT market.
- REITs in the index must have a market capitalization of at least \$100 million, with enough shares and trading volume to be considered liquid.
- Equity REITs own and manage real estate properties, such as retail, office, residential apartment, and industrial spaces. They generate income from rental and lease payments, and offer the potential for growth from property appreciation as well as occasional capital gains from the sale of property.
- Mortgage REITs and Hybrid REITs are not included in the index.

Performance history

Total returns² for period ended in September 30, 2014

| VNQ (Inception 09/23/2004) | Quarter | Year to date | 1 year | 3 years | 5 years | 10 years | Since inception |
|---|---------|--------------|--------|---------|---------|----------|-----------------|
| Net asset value (NAV) return ³ | -3.14% | 14.00% | 13.19% | 16.55% | 15.91% | 8.60% | 8.77% |
| Market price return ⁴ | -3.09 | 14.10 | 13.14 | 16.56 | 15.90 | 8.63 | 8.78 |
| REIT Spliced Index | -3.11 | 14.03 | 13.26 | 16.63 | 15.96 | 8.54 | 8.72 |

MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT 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 REIT Index |
| Expense ratio ¹ | 0.10% |
| Dividend schedule | Quarterly |
| ETF total net assets | \$22,958 million |
| Fund total net assets | \$43,100 million |
| Inception date | September 23, 2004 |

Trading information

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

ETF attributes

| | REIT ETF | MSCI US REIT Index |
|---------------------------------|----------|--------------------|
| Number of stocks | 138 | 137 |
| Median market cap | \$9.0B | \$9.0B |
| Price/earnings ratio | 57.9x | 57.9x |
| Price/book ratio | 2.2x | 2.2x |
| Return on equity | 4.6% | 4.6% |
| Earnings growth rate | 13.7% | 13.7% |
| Turnover rate ⁵ | 10.9% | — |
| Standard deviation ⁶ | 14.9% | 14.9% |



¹As reported in the most recent prospectus. A fund's current expense ratio may be lower or higher than the figure reported in the prospectus.

²Figures 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.

³As of 4 p.m., Eastern time, when the regular trading session of the New York Stock Exchange typically closes.

⁴Market 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.

⁵For 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.

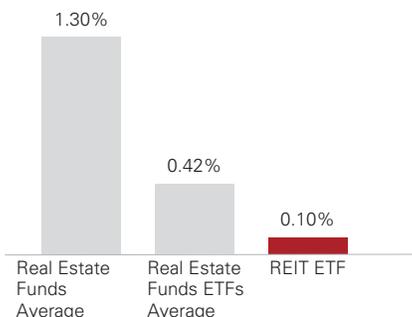
⁶A measure of the volatility of a fund—based on the fund's last three years of monthly returns—used to indicate the dispersion of past returns. A higher standard deviation means a greater potential for volatility. For funds with less than 36 months of performance history, standard deviation is not calculated.

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Expense ratio comparison¹



Market capitalization breakdown

| | |
|------------------|------|
| Large Cap | 0.0% |
| Medium/Large Cap | 12.8 |
| Medium Cap | 43.1 |
| Medium/Small Cap | 25.1 |
| Small Cap | 19.1 |

Ten largest holdings and % of total net assets²

| | |
|----------------------------------|-------|
| Simon Property Group Inc. | 8.7% |
| Public Storage | 4.1 |
| Equity Residential | 3.6 |
| Health Care REIT Inc. | 3.4 |
| Prologis Inc. | 3.2 |
| AvalonBay Communities Inc. | 3.1 |
| Ventas Inc. | 3.1 |
| HCP Inc. | 3.1 |
| Boston Properties Inc. | 3.0 |
| Vornado Realty Trust | 2.9 |
| Top ten as % of total net assets | 38.2% |

Subindustry diversification as % of common stock³

| | |
|----------------------|-------|
| Retail REITs | 25.9% |
| Residential REITs | 16.3 |
| Health Care REITs | 13.3 |
| Office REITs | 13.3 |
| Diversified REITs | 10.6 |
| Specialized REITs | 8.1 |
| Hotel & Resort REITs | 8.0 |
| Industrial REITs | 4.5 |

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, 2013.

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

³ Sector categories are based on the Global Industry Classification Standard system.

Vanguard ETF Shares are not redeemable with the issuing fund other than in Creation Unit aggregations. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market with the assistance of a stockbroker. 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 that are offered by The Vanguard Group and track an MSCI index are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. For such funds or securities, the prospectus contains a more detailed description of the limited relationship MSCI has with The Vanguard Group.

For more information about Vanguard ETF Shares, visit vanguard.com, call 866-499-8473, or contact your broker to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

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