

**Vanguard Multi-Sector Income Bond ETF**  
**ETF Shares (VGMS) Cboe BZX Exchange, Inc.**  
Annual Shareholder Report | September 30, 2025

This annual shareholder report contains important information about Vanguard Multi-Sector Income Bond ETF (the "Fund") for the period of June 9, 2025, to September 30, 2025. You can find additional information about the Fund at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>. You can also request this information by contacting us at 800-662-7447.

### What were the Fund costs for the last period?

(based on a hypothetical \$10,000 investment)

Share Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
ETF Shares	\$9 <sup>1</sup>	0.30% <sup>2</sup>

1 Costs would be higher for a full year.

2 Annualized.

### How did the Fund perform during the reporting period?

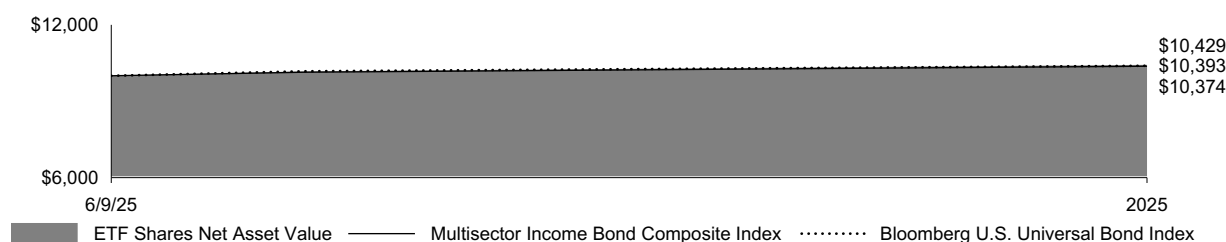
- From its inception on June 9, 2025, through September 30, 2025, the Fund outperformed its benchmark.
- Optimism in the U.S. about deregulation, tax cuts, and artificial intelligence was occasionally tempered by market concerns about rising interest rates, stretched equity valuations, and evolving trade policies. The Federal Reserve resumed cutting short-term interest rates in September 2025 in response to an uncertain economic outlook and slowing job gains. The Fed had paused on lowering rates in December 2024 amid mixed market signals.
- The Fund, which is actively managed, seeks to provide total return while generating a moderate to high level of current income. It provides diversified exposure primarily to investment-grade and below-investment-grade U.S. bonds, with selective exposure to debt from other countries, including emerging markets.

### How did the Fund perform since inception?

Keep in mind that the Fund's past performance does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [vanguard.com/performance](https://vanguard.com/performance) or by calling Vanguard toll-free at 800-662-7447. The graph and returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: June 9, 2025, Through September 30, 2025

Initial Investment of \$10,000



### Average Annual Total Returns

	Since Inception (6/9/2025)
ETF Shares Net Asset Value	4.29%
ETF Shares Market Price	4.62%
Multisector Income Bond Composite Index	3.74%
Bloomberg U.S. Universal Bond Index	3.93%

Fund Statistics (as of September 30, 2025)		Portfolio Composition % of Net Assets (as of September 30, 2025)	
Fund Net Assets (in millions)	\$112	Asset-Backed/Commercial Mortgage-Backed Securities	9.9%
Number of Portfolio Holdings	616	Corporate Bonds	73.6%
Portfolio Turnover Rate	28%	Floating Rate Loan Interests	2.7%
Total Investment Advisory Fees (in thousands)	\$1	Sovereign Bonds	9.9%
		U.S. Government and Agency Obligations	3.8%
		Other Assets and Liabilities—Net	0.1%
		<b>This table reflects the Fund's investments, including short-term investments, derivatives and other assets and liabilities.</b>	

**Where can I find additional information about the Fund?**

Additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information is available at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>.

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