

# Vanguard REIT ETF

**VNQ**  
NYSE ARCA

**PRICE** (AS OF CLOSE) **\$41.45** 09/30/2009 | **TODAY'S CHANGE** **\$0.00 (0.00%)**

## HISTORICAL PRICE PERFORMANCE



## FUND STRATEGY

The investment seeks to provide a high level of income and moderate long-term capital appreciation. The fund normally invests approximately 98% of assets in stocks issued by equity real estate investment trusts (REITs) in an attempt to track the investment performance of the Morgan Stanley Capital International (MSCI) US REIT Index.

## PERFORMANCE RETURNS

This section contrasts the Vanguard REIT ETF VNQ to its benchmarks.

as of 08/31/2009

	Cumulative Returns %				Annualized Returns %			
	YTD	1 MO	3 MO	6 MO	1 YR	5 YR	10 YR	SINCE INCEP.
● Vanguard REIT ETF (VNQ) Market (VNQ) NAV	+11.6	+14.3	+22.5	+70.2	-31.5	-	-	+0.3
● Real Estate Morningstar Category	+7.9	+15.5	+23.4	+69.7	-36.1	-0.9	-	-
● S&P 500 TR Broad-Based Index	+15.0	+3.6	+11.7	+40.5	-18.3	+0.5	-0.8	+9.9
● DJ US Select REIT TR USD Best Fit Index	+10.0	+14.6	+22.2	+71.8	-34.3	-0.3	+8.5	-

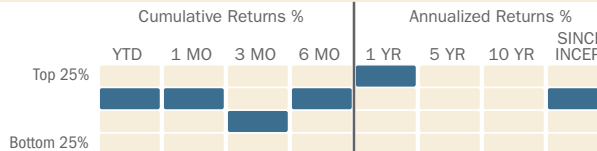
## TAX ANALYSIS

as of 08/31/2009

	Cumulative Returns %				Annualized Returns %			
	YTD	1 MO	3 MO	6 MO	1 YR	5 YR	10 YR	SINCE INCEP.
Load Adjusted Total Returns	+11.4	+14.0	+22.0	+70.2	-31.3	-	-	+0.3
SEC Pre-Liquidation Market Returns	+10.2	+14.3	+21.8	+68.2	-33.2	-	-	-1.3
SEC Post-Liquidation Market Returns	+7.3	+9.3	+14.5	+45.2	-20.6	-	-	-0.5
Tax Cost Ratio Market Returns	-	-	-	-	+2.5	-	-	-

## RANK WITHIN CATEGORY FOR ANNUAL TOTAL RETURN %

Rank within Category compares this fund's total annual return to that of other funds in the same category, and its figures are not adjusted for load, sales charge, or taxes.



## QUOTE SUMMARY

as of close 09/30/2009

Day's Range	\$0.00 - 0.00
52 Week Range	\$19.95 - 60.99
Average Volume (10 Day)	3,741,892
SEC Yield	-
Distribution Yield	6.80%
Previous Ex-Date	09/24/2009
Previous Pay Date	09/30/2009

## FUND PROFILE

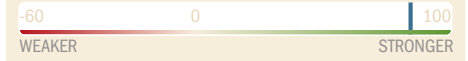
Inception Date	09/23/2004
Category	Specialty - Real Estate
Fund Family	Vanguard
Total Assets	\$2.5 Billion
Gross Expense Ratio	0.15%

## MARKET EDGE SECOND OPINION®

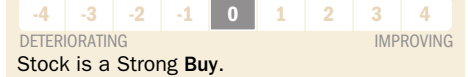
rating as of 08/03/2009

Market Edge Second Opinion®	AVOID	NEUTRAL	LONG
CONFIDENCE RATING: 0.0			

## Market Edge Power Rating



## Market Edge Score

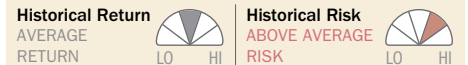


## MORNINGSTAR RATING

rating as of 08/31/2009

Category: Specialty - Real Estate

Overall rating	OUT OF 4 FUNDS
3 year rating	OUT OF 4 FUNDS
5 year rating	OUT OF 3 FUNDS
10 year rating	OUT OF 0 FUNDS



Past performance is no guarantee of future results. The ratings reflect historical risk-adjusted performance, and the overall rating is derived from a weighted average of the fund's 3, 5 and 10 year Morningstar Rating metrics.

Performance data quoted represents past performance and does not indicate future results. Visit Schwab.com for month-end performance information. Current performance may be lower or higher. Investment value will fluctuate, and shares, when redeemed may be worth less than original cost.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The top 10% of the funds in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

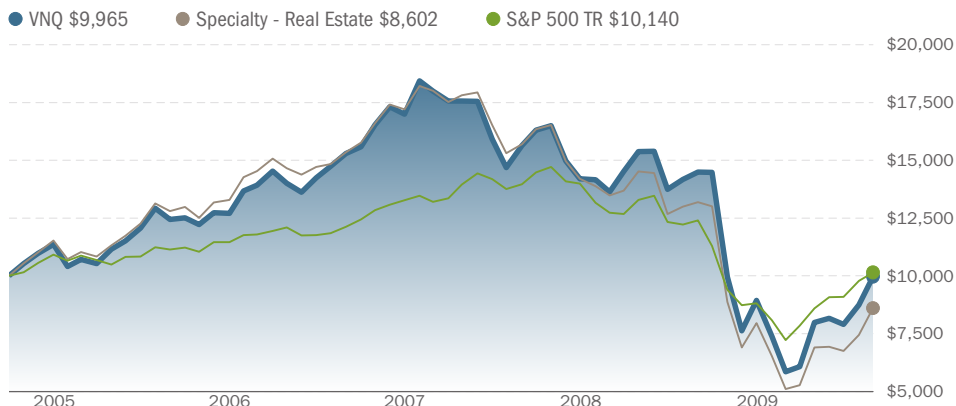
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## CUMULATIVE GROWTH OF \$10,000 INVESTMENT

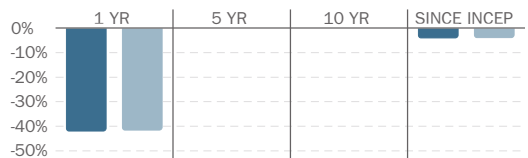
as of 08/31/2009



This graph represents the growth of a hypothetical investment of \$10,000. It assumes reinvestment of dividends and capital gains, and does not reflect sales loads, redemption fees or the effects of taxes on any capital gains and/or distributions.

## STANDARDIZED QUARTERLY TOTAL RETURN

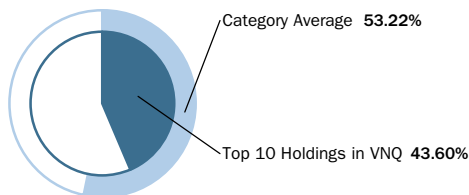
as of 06/30/2009



● Vanguard REIT ETF (VNQ) Market  
● Vanguard REIT ETF (VNQ) NAV

## TOP TEN HOLDINGS

as of 08/31/2009



Top 10 holdings are 43.6% of the total portfolio assets. The Real Estate category average is 53.22%

COMPANY NAME	S&P SUB INDUSTRY	YEAR TO DATE PERFORMANCE (as of 09/30/2009)	PERCENT OF ASSETS
Simon Property Group, Inc.	Retail REITs	+36.0%	9.5%
Public Storage	Specialized REITs	-5.4%	5.5%
Vornado Realty Trust	Diversified REITs	+10.5%	4.7%
Boston Properties, Inc.	Office REITs	+19.2%	4.3%
Equity Residential	Residential REITs	+3.0%	4.0%
HCP, Inc.	Specialized REITs	+3.5%	3.8%
Host Hotels & Resorts, I...	Specialized REITs	+55.5%	3.3%
Ventas, Inc.	Specialized REITs	+14.7%	3.1%
AvalonBay Communities,...	Residential REITs	+20.1%	3.0%
Health Care REIT, Inc.	Specialized REITs	-1.4%	2.5%

Fund holdings subject to change

## PORTFOLIO OVERVIEW

as of 08/31/09

Total Number of Holdings	99
Non-Diversified Portfolio	No
Portfolio Turnover	10%
Distinct Portfolio	No

## SECTOR WEIGHTINGS

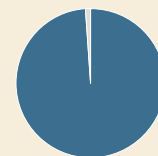
as of 08/31/09

SECTOR NAME	YTD PERF.(%)	% OF ASSETS
Financials	+15.8	100.0
Health Care	+9.3	0.0
Industrials	+12.8	0.0
Information Technology	+45.1	0.0
Materials	+36.9	0.0
Telecommunication Srvs.	-3.1	0.0
Utilities	+1.2	0.0
Consumer Discretionary	+31.1	0.0
Consumer Staples	+7.2	0.0
Energy	+8.4	0.0

## ASSET BREAKDOWN

as of 08/31/09

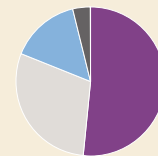
Domestic Stocks	98.9%
Cash	1.1%



## MARKET CAPITALIZATION

as of 08/31/09

Medium Cap	51.55%
Small Cap	29.49%
Large Cap	15.13%
Micro Cap	3.83%



**IMPORTANT INFORMATION REGARDING THIS REPORT**

Investors in ETFs should consider carefully information contained in the prospectus, including investment objectives, risks, charges and expenses. You can request a prospectus by calling 800-435-4000. Please read the prospectus carefully before investing. Investors in Closed-End Funds please note that since these securities are not continuously offered, there may be no prospectus available.

Exchange Traded Funds and Closed-End Funds are subject to market risk. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Investments in foreign investments may incur greater risks than domestic investments. Past performance is no guarantee of future results.

Schwab does not recommend the use of technical analysis as a sole means of investment research.

Sector investing may involve a greater degree of risk than an investment in other funds with broader diversification.

Investors holding leveraged or inverse ETFs for longer than one day should proceed with extreme caution. Leveraged ETFs seek to provide a multiple (e.g., 2x or 3x) of the investment returns of a given index or benchmark on a daily basis. Inverse ETFs, also on a daily basis, seek to provide the opposite of the investment returns of a given index or benchmark (either in whole or by multiples like -2x or -3x). Due to the effects of compounding – i.e., the need to increase or decrease exposure to an index or benchmark each day in order to "re-set" – leveraged and inverse ETFs can experience greater losses than one would expect judging solely from the multiple. Compounding can also cause the differential between ETF performance and underlying index or benchmark performance to expand over time. Consequently, leveraged and inverse ETFs may experience losses even in situations where the underlying index or benchmark has performed as hoped. These products use of leverage and complex derivative instruments may also expose shareholders to substantially increased risk.

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