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Vanguard Takes Aim at Laddered Bond ETFs.

New model portfolios turn Vanguard's target-maturity ETFs into plug-and-play bond ladders at a lower cost than competitors'.

Vanguard's BondBuilder models are less a breakthrough than a price reset. These new investment-grade corporate bond-ladder exchange-traded fund model portfolio options have all the strengths and weaknesses of what could be built from their defined-maturity ETF predecessors but at a lower cost. Here, we revisit the topic of how bond-ladder ETFs work and how they might help in accomplishing one's investing goals. In fact, although the models are designed for advisors, their simplicity means retail investors could easily implement them as well.

Vanguard BondBuilder Basics

Launched on April 28, 2026, the Vanguard BondBuilder suite comprises four perpetual bond-ladder models: the 0-3Y, 0-5Y, 0-7Y, and 0-10Y Target Maturity Corporate Bond ETF Models. Each strategy equal-weights its assets across its maturity range using Vanguard Target Maturity Corporate Bond ETFs for each year. The annual cost, without factoring in any custodial or platform fees, is only 0.08%, 2 basis points less than what rivals charge.

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