

Vanguard Emerging Markets Bond Fund

Bond fund | Admiral™ Shares

Fund facts

| Risk level | | | | | Total net assets | Expense ratio as of 01/31/23 | Ticker symbol | Turnover rate | Inception date | Fund number |
|------------|-----|---|---|------|------------------|------------------------------|---------------|---------------|----------------|-------------|
| Low | ← → | | | High | | | | | | |
| 1 | 2 | 3 | 4 | 5 | \$2,376 MM | 0.40% | VEGBX | 167.6% | 12/06/17 | 1531 |

Investment objective

Vanguard Emerging Markets Bond Fund seeks to provide total return while generating a moderate level of current income.

Investment strategy

The fund invests in fixed income securities of various maturities, yields, and qualities. Under normal circumstances, the fund will invest at least 80% of its assets in fixed income securities of issuers that are tied economically to emerging market countries. The fund seeks to have a majority of its assets denominated in or hedged back to the U.S. dollar but has the ability to invest in local currency denominated bonds on an unhedged basis. Emerging market bonds include sovereign debt securities, which include fixed income securities that are issued or guaranteed by foreign sovereign governments or their agencies, authorities, political subdivisions or instrumentalities, or other supranational agencies, as well as debt securities issued or guaranteed by foreign corporations and foreign financial institutions. Emerging market countries include countries whose economies or bond markets are less developed, which includes most countries except for Australia, Canada, Japan, New Zealand, the United States, the United Kingdom, and most European Monetary Union countries.

For the most up-to-date fund data, please scan the QR code below.



Benchmark

JP Morgan EMBI Global Diversified

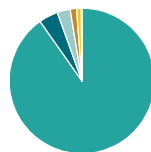
Total returns

| | Periods ended June 30, 2023 | | | | | |
|------------------|-----------------------------|--------------|----------|-------------|------------|-----------------|
| | Quarter | Year to date | One year | Three years | Five years | Since inception |
| Fund | 2.54% | 5.15% | 12.40% | -0.05% | 4.54% | 3.68% |
| Benchmark | 2.19% | 4.09% | 7.39% | -3.10% | 0.55% | — |

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](https://www.vanguard.com/performance). The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

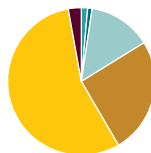
Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Distribution by issuer—bonds



| | | | |
|------------|-------|-----------------|-----|
| Foreign | 90.2% | Treasury/Agency | 1.4 |
| Industrial | 4.3 | Finance | 1.0 |
| Other | 2.9 | Utilities | 0.2 |

Distribution by credit quality*

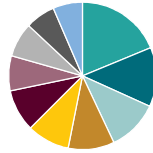


| | | | |
|-----------------|------|---------------|------|
| U.S. Government | 1.4% | Baa | 25.4 |
| Aa | 1.0 | Less than BBB | 55.5 |
| A | 13.8 | Not Rated | 2.9 |

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Market allocation—bonds



| | | | |
|--------------|------|--------------------|-----|
| Mexico | 9.2% | Indonesia | 4.5 |
| Saudi Arabia | 6.4 | Chile | 3.8 |
| Peru | 5.5 | Oman | 3.7 |
| South Africa | 5.0 | Brazil | 3.2 |
| Colombia | 4.6 | Dominican Republic | 3.2 |

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Plain talk about risk

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range. The fund is subject to the following risks, which could affect the fund's performance, and the level of risk may vary based on market conditions:

Country/regional risk: The chance that world events—such as political upheaval, periods of financial volatility, or natural disasters—will adversely affect the value and/or liquidity of securities issued by foreign governments, government agencies, government-owned corporations, and foreign companies. Because the fund may invest a large portion of its assets in bonds of issuers located in any one country or region, the fund's performance may be hurt disproportionately by the poor performance of its investments in that area.

Country/regional risk is especially high in emerging market countries.

Emerging markets risk: The chance that the bonds of governments, government agencies, government-owned corporations, and foreign companies located in emerging market countries will be substantially more volatile, and substantially less liquid, than the bonds of governments, government agencies, government-owned corporations, and foreign companies located in more developed foreign markets because, among other factors, emerging market countries can have greater custodial and operational risks; less developed legal, tax, regulatory, and accounting systems; and greater political, social, and economic instability than developed markets. Emerging markets risk is especially high for the fund.

Currency risk: The chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.

Nondiversification risk: The chance that the fund's performance may be hurt disproportionately by the poor performance of bonds issued by just a few issuers or even a single issuer. The fund is considered nondiversified, which means that it may invest a significant percentage of its assets in bonds issued by a small number of issuers.

Credit risk: The chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Because the fund invests in both investment-grade and below investment-grade bonds (also known as high-yield or junk bonds), credit risk should be high for the fund.

Liquidity risk: The chance that the fund may not be able to sell a security in a timely manner at a desired price.

Derivatives risk: The chance that the use of derivatives—such as futures contracts, foreign currency exchange forward contracts, swap agreements, and options—can lead to losses because of adverse movements in the price or value of the underlying security, asset, index, or reference rate. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in the underlying securities or assets. Also, a liquid market may not always exist for the fund's derivative positions at times when the fund might wish to terminate or sell. The use of a derivative subjects the investor to the risk of nonperformance by the counterparty (i.e., counterparty risk), potentially resulting in delayed or partial payment or even nonpayment of amounts due under the derivative contract.

Interest rate risk: The chance that bond prices will decline because of rising interest rates. Interest rate risk should be moderate for the fund based on expected sensitivity of the portfolio to interest rate movements.

Income risk: The chance that the fund's income will decline because of falling interest rates. Income risk should be moderate for the fund, so investors should expect the fund's monthly income to fluctuate accordingly.

Call risk: The chance that during periods of low or falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such redemptions and subsequent reinvestments would also increase the fund's portfolio turnover rate. Call risk should be low for the fund.

Manager risk: The chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Note on frequent trading restrictions

Frequent trading policies may apply to those funds offered as investment trading options within your plan. Please log on to [vanguard.com](https://www.vanguard.com) for your employer plans or contact Participant Services at 800-523-1188 for additional information.

***Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). "NR" is used to classify securities for which a rating is not available. NR securities may include a fund's investment in Vanguard Market Liquidity Fund or Vanguard Municipal Cash Management Fund, each of which invests in high-quality money market instruments and may serve as a cash management vehicle for Vanguard funds, trusts, and accounts. NR may also include derivatives and derivatives offsets. U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities appear under "U.S. Government". Credit-quality ratings for each issue are obtained from Moody's and S&P, and the higher rating for each issue is used.**

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