Vanguard Total Bond Market Index Fund
Bond fund | Institutional Shares

**Fund facts**

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Low</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total net assets</th>
<th>Expense ratio as of 04/26/19</th>
<th>Ticker symbol</th>
<th>Turnover rate as of 12/31/19</th>
<th>Inception date</th>
<th>Fund number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>$47,477 MM</td>
<td>0.035%</td>
<td>VBTIX</td>
<td>43.9%</td>
<td>09/18/95</td>
<td>0222</td>
</tr>
</tbody>
</table>

**Investment objective**

Vanguard Total Bond Market Index Fund seeks to track the performance of a broad, market-weighted bond index.

**Investment strategy**

The fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Bond Index. This index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. The fund invests by sampling the index, meaning that it holds a range of securities that, in the aggregate, approximate the full index in terms of key risk factors and other characteristics. All of the fund’s investments will be selected through the sampling process, and at least 80% of the fund’s assets will be invested in bonds held in the index. The fund maintains a dollar-weighted average maturity consistent with that of the index, which currently ranges between 5 and 10 years.

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

**Benchmark**

Spliced Bloomberg US Agg Flt AdjIx

**Growth of a $10,000 investment: January 31, 2010—December 31, 2019**

| Fund as of 12/31/19 | $14,156 |
| Benchmark as of 12/31/19 | $14,268 |

**Annual returns**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>6.58</td>
<td>7.72</td>
<td>4.18</td>
<td>-2.14</td>
<td>5.91</td>
<td>0.41</td>
<td>2.61</td>
<td>3.57</td>
<td>-0.01</td>
</tr>
<tr>
<td>Benchmark</td>
<td>6.58</td>
<td>7.92</td>
<td>4.32</td>
<td>-1.97</td>
<td>5.85</td>
<td>0.44</td>
<td>2.75</td>
<td>3.63</td>
<td>-0.08</td>
</tr>
</tbody>
</table>

**Total returns**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Year to date</th>
<th>One year</th>
<th>Three years</th>
<th>Five years</th>
<th>Ten years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>0.03%</td>
<td>8.73%</td>
<td>8.73%</td>
<td>4.03%</td>
<td>3.01%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>0.14%</td>
<td>8.87%</td>
<td>8.87%</td>
<td>4.08%</td>
<td>3.07%</td>
</tr>
</tbody>
</table>

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.

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**

- Treasury/Agency: 43.3%
- Government Mortgage-Backed: 22.3%
- Industrial: 16.5%
- Finance: 8.5%
- Foreign: 4.8%
- Commercial Mortgage-Backed: 2.2%
- Utilities: 2.0%
- Asset-Backed: 0.4%
Vanguard Total Bond Market Index Fund

Bond fund | Institutional Shares

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, like the fluctuations of the overall bond market. The fund’s performance could be hurt by:

**Interest rate risk:** The chance that bond prices will decline because of rising interest rates. Interest rate risk should be moderate for the fund because it invests primarily in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

**Prepayment risk:** The chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in repayment of mortgage-backed securities held by the fund. The fund would then lose any price appreciation above the mortgage’s principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund’s income.

**Extension risk:** The chance that during periods of rising interest rates, certain debt obligations will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will prepay their mortgages at slower rates.

**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. Credit risk should be low for the fund because it purchases only bonds that are of investment-grade quality.

**Call risk:** The chance that during periods of 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.

**Index sampling risk:** The chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the index. Index sampling risk for the fund should be low.

Note on frequent trading restrictions

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

For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you.

If you receive your retirement plan statement from Vanguard or log on to Vanguard’s website to view your plan, visit vanguard.com or call 800-523-1188.

If you receive your retirement plan statement from a service provider other than Vanguard or log on to a recordkeeper’s website that is not Vanguard to view your plan, please call 855-402-2646.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value

© 2020 The Vanguard Group, Inc. All rights reserved. Vanguard Marketing Corporation, Distributor.