Vanguard Total Bond Market Index Fund

Bond fund | Institutional Shares

Fund facts

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Total net assets</th>
<th>Expense ratio as of 04/29/22</th>
<th>Ticker symbol</th>
<th>Turnover rate</th>
<th>Inception date</th>
<th>Fund number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$40,341 MM</td>
<td>0.035%</td>
<td>VBTIX</td>
<td>69.3%</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 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 one 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 USAgg Flt Adjx

Growth of a $10,000 investment: January 31, 2012—December 31, 2021

Annual returns

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</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>
<td>8.73</td>
<td>7.74</td>
</tr>
<tr>
<td>Benchmark</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>
<td>8.87</td>
<td>7.75</td>
</tr>
</tbody>
</table>

Total returns

Periods ended September 30, 2022

<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>-4.65%</td>
<td>-14.58%</td>
<td>-14.65%</td>
<td>-3.26%</td>
<td>-0.24%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>-4.68%</td>
<td>-14.65%</td>
<td>-14.61%</td>
<td>-3.22%</td>
<td>-0.23%</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. 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

- Treasury/Agency: 46.4%
- Government Mortgage-Backed: 20.1%
- Industrial: 15.4%
- Finance: 8.8%
- Foreign: 3.6%
- Commercial Mortgage-Backed: 2.2%
- Utilities: 2.2%
- Other: 0.9%
- Asset-Backed: 0.4%
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.

**Income risk:** The chance that the fund’s income will decline because of falling interest rates.

**Prepayment risk:** The chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in a decline in the fund’s income. 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 relatively low for the fund because it invests primarily in bonds that are considered to be of high 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**

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