



Assets by state for Vanguard Municipal Bond Funds and Vanguard Tax-Managed Balanced Fund

Important tax information for 2012

State and local governments may require residents to pay intangible or personal property tax on investments. The following tables provide the percentage of assets that each of the Vanguard Municipal Bond Funds and Vanguard Tax-Managed Balanced Fund had invested in each state and U.S. territory at the end of 2012. This information will help you determine any state and local intangible or personal property tax liability generated by your individual holdings if required by your state or locality for 2012.

Contact your state and local tax offices to find out if the taxes apply to your individual situation.

If you have questions about the information provided in this tax update, call us at **877-662-7447** on business days from 8 a.m. to 10 p.m. or on Saturdays from 9 a.m. to 4 p.m., Eastern time. Our investment professionals can't provide tax advice; please consult a qualified tax professional if your tax situation is complex or if you're uncertain about the interpretation of a specific IRS rule. You can also find a broad array of general tax-preparation data and tools at vanguard.com/taxcenter.

Assets by state as of December 31, 2012

| State | Tax-Exempt Money Market Fund | Short-Term Tax-Exempt Fund | Limited-Term Tax-Exempt Fund | Intermediate-Term Tax-Exempt Fund | Long-Term Tax-Exempt Fund | High-Yield Tax-Exempt Fund | Tax-Managed Balanced Fund | Florida Focused Long-Term Tax-Exempt Fund |
|----------------------|------------------------------|----------------------------|------------------------------|-----------------------------------|---------------------------|----------------------------|---------------------------|---|
| Alabama | 0.66% | 0.90% | 0.43% | 0.93% | 0.54% | 0.53% | 0.22% | 0.48% |
| Alaska | 0.25 | 0.93 | 0.09 | 0.13 | 0.18 | 0.36 | 0.06 | 0.00 |
| Arizona | 2.08 | 0.91 | 1.27 | 2.42 | 1.84 | 1.42 | 1.04 | 0.38 |
| Arkansas | 0.00 | 0.00 | 0.00 | 0.08 | 0.11 | 0.03 | 0.00 | 0.00 |
| California | 6.52 | 12.16 | 13.57 | 12.03 | 16.39 | 16.27 | 5.79 | 3.43 |
| Colorado | 3.22 | 2.45 | 1.37 | 1.37 | 2.21 | 2.18 | 1.12 | 0.12 |
| Connecticut | 1.39 | 1.87 | 2.12 | 1.31 | 0.97 | 0.64 | 1.06 | 0.87 |
| Delaware | 0.05 | 0.11 | 0.22 | 0.12 | 0.00 | 0.20 | 0.06 | 0.00 |
| District of Columbia | 0.85 | 0.59 | 0.77 | 0.62 | 0.88 | 0.61 | 0.23 | 0.24 |
| Florida | 4.80 | 7.83 | 6.24 | 6.99 | 7.28 | 6.60 | 2.07 | 60.79 |
| Georgia | 4.45 | 2.00 | 2.87 | 2.92 | 2.74 | 2.82 | 1.59 | 1.90 |
| Hawaii | 0.60 | 0.57 | 0.89 | 0.67 | 0.63 | 0.76 | 0.63 | 0.26 |
| Idaho | 1.69 | 0.36 | 0.16 | 0.08 | 0.18 | 0.22 | 0.00 | 0.00 |
| Illinois | 4.47 | 5.96 | 3.81 | 6.42 | 7.90 | 6.87 | 1.83 | 2.14 |
| Indiana | 3.94 | 2.08 | 1.33 | 1.26 | 1.43 | 1.68 | 0.32 | 0.29 |
| Iowa | 0.98 | 0.08 | 0.15 | 0.21 | 0.14 | 0.50 | 0.03 | 0.00 |
| Kansas | 0.47 | 0.36 | 0.41 | 0.33 | 0.10 | 0.04 | 0.48 | 0.00 |
| Kentucky | 1.13 | 0.33 | 0.59 | 0.76 | 0.92 | 0.63 | 0.44 | 0.24 |
| Louisiana | 1.35 | 1.53 | 0.75 | 1.04 | 1.40 | 1.47 | 0.50 | 0.00 |
| Maine | 0.37 | 0.05 | 0.39 | 0.13 | 0.00 | 0.05 | 0.06 | 0.00 |
| Maryland | 2.45 | 0.88 | 2.74 | 1.24 | 0.58 | 0.88 | 1.48 | 1.10 |
| Massachusetts | 4.87 | 3.88 | 3.03 | 3.90 | 3.84 | 2.43 | 2.29 | 3.41 |
| Michigan | 1.25 | 3.04 | 2.47 | 2.78 | 1.82 | 2.26 | 1.42 | 0.00 |

(over)

| State | Tax-Exempt Money Market Fund | Short-Term Tax-Exempt Fund | Limited-Term Tax-Exempt Fund | Intermediate-Term Tax-Exempt Fund | Long-Term Tax-Exempt Fund | High-Yield Tax-Exempt Fund | Tax-Managed Balanced Fund | Florida Focused Long-Term Tax-Exempt Fund |
|----------------|------------------------------|----------------------------|------------------------------|-----------------------------------|---------------------------|----------------------------|---------------------------|---|
| Minnesota | 1.85% | 0.60% | 0.91% | 1.26% | 0.41% | 0.61% | 0.69% | 0.48% |
| Mississippi | 0.35 | 0.46 | 0.36 | 0.18 | 0.34 | 0.22 | 0.14 | 0.24 |
| Missouri | 1.53 | 0.34 | 0.48 | 0.58 | 0.75 | 0.71 | 0.32 | 0.47 |
| Montana | 0.15 | 0.08 | 0.08 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Nebraska | 2.10 | 0.25 | 0.21 | 0.17 | 0.27 | 0.12 | 0.21 | 0.44 |
| Nevada | 2.22 | 0.66 | 0.54 | 0.77 | 1.11 | 0.64 | 0.43 | 0.00 |
| New Hampshire | 0.11 | 0.29 | 0.13 | 0.08 | 0.16 | 0.19 | 0.07 | 0.50 |
| New Jersey | 0.42 | 2.92 | 4.22 | 5.59 | 4.91 | 8.71 | 3.58 | 1.00 |
| New Mexico | 1.02 | 1.16 | 0.82 | 0.27 | 0.51 | 0.41 | 0.17 | 0.27 |
| New York | 6.96 | 13.83 | 13.20 | 15.30 | 15.13 | 10.89 | 8.76 | 5.43 |
| North Carolina | 2.62 | 2.13 | 3.14 | 2.22 | 0.99 | 1.47 | 1.50 | 1.53 |
| North Dakota | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Ohio | 3.42 | 3.08 | 4.39 | 3.66 | 2.01 | 3.03 | 2.29 | 1.48 |
| Oklahoma | 0.02 | 0.34 | 0.36 | 0.28 | 0.04 | 0.45 | 0.15 | 0.10 |
| Oregon | 0.91 | 0.37 | 0.37 | 0.57 | 0.62 | 0.15 | 0.18 | 0.25 |
| Pennsylvania | 0.97 | 5.59 | 6.04 | 3.86 | 2.85 | 3.54 | 2.06 | 1.83 |
| Rhode Island | 0.19 | 0.09 | 0.01 | 0.24 | 0.25 | 0.00 | 0.00 | 0.00 |
| South Carolina | 1.48 | 0.94 | 1.44 | 1.16 | 2.29 | 1.32 | 0.52 | 0.37 |
| South Dakota | 0.24 | 0.00 | 0.00 | 0.01 | 0.12 | 0.26 | 0.00 | 0.00 |
| Tennessee | 3.45 | 1.47 | 2.32 | 1.14 | 0.29 | 1.98 | 0.88 | 0.54 |
| Texas | 12.06 | 10.71 | 7.50 | 8.55 | 7.57 | 8.74 | 3.58 | 4.90 |
| Utah | 0.72 | 0.43 | 0.56 | 0.36 | 0.46 | 0.45 | 0.26 | 0.00 |
| Vermont | 0.08 | 0.00 | 0.00 | 0.06 | 0.13 | 0.32 | 0.00 | 0.00 |
| Virginia | 2.01 | 1.50 | 2.14 | 2.31 | 1.33 | 2.01 | 0.71 | 1.52 |
| Washington | 3.64 | 2.68 | 3.27 | 2.06 | 2.33 | 1.05 | 1.12 | 1.35 |
| West Virginia | 0.64 | 0.36 | 0.45 | 0.26 | 0.53 | 0.25 | 0.00 | 0.00 |
| Wisconsin | 2.50 | 1.33 | 1.48 | 0.62 | 1.55 | 2.36 | 0.57 | 0.98 |
| Wyoming | 0.31 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Outside the United States

| | | | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Guam | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Northern Mariana Islands | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Puerto Rico | 0.00 | 0.00 | 0.02 | 0.81 | 1.06 | 1.62 | 0.86 | 0.67 |
| Virgin Islands | 0.00 | 0.03 | 0.09 | 0.06 | 0.11 | 0.23 | 0.05 | 0.00 |

Note: The information provided in the tables applies to all share classes of a fund.