



**Vanguard**<sup>®</sup>

## Vanguard Long-Term Bond Index Fund

### Supplement Dated May 10, 2019, to the Prospectus and Summary Prospectus for Investor Shares and Admiral<sup>™</sup> Shares Dated April 26, 2019

Effective July 10, 2019, the Fund will charge a 0.50% fee on all purchases of its Investor Shares and Admiral Shares, including shares that you purchase by exchange from another Vanguard fund. Purchases that result from reinvested dividend or capital gains distributions are not subject to the purchase fee.

Unlike a sales charge or a load paid to a broker or a fund management company, purchase fees are paid directly to the Fund to offset the costs of buying securities. This fee is separate from, and in addition to, other expenses charged by the Fund.

### Prospectus and Summary Prospectus Text Changes

Effective July 10, 2019, the following will replace similar text under the heading “Fees and Expenses” in the Fund Summary section:

#### Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold Investor Shares or Admiral Shares of the Fund.

#### Shareholder Fees

(Fees paid directly from your investment)

	Investor Shares	Admiral Shares
Sales Charge (Load) Imposed on Purchases	None	None
Purchase Fee	0.50%	0.50%
Sales Charge (Load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Account Service Fee (for fund account balances below \$10,000)	\$20/year	\$20/year

## Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Admiral Shares <sup>1</sup>
Management Fees	0.13%	0.04%
12b-1 Distribution Fee	None	None
Other Expenses	0.02%	0.03%
Total Annual Fund Operating Expenses	0.15%	0.07%

<sup>1</sup> The expense information shown in the table reflects estimated amounts for the current fiscal year.

## Examples

The following examples are intended to help you compare the cost of investing in the Fund's Investor Shares or Admiral Shares with the cost of investing in other mutual funds. They illustrate the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Fund's shares. These examples assume that the shares provide a return of 5% each year and that total annual fund operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$65	\$98	\$134	\$241
Admiral Shares	\$57	\$72	\$89	\$139

## Prospectus Text Changes

In the More on the Funds section, a new section "Purchase and Transaction Fees" will be added after the "Temporary Investment Measures" section:

### Purchase and Transaction Fees

Vanguard Long-Term Bond Index Fund charges a fee of 0.50% on all purchases of shares, including shares that you purchase by exchange from another Vanguard fund.

In addition, Vanguard Total Bond Market Index Fund, Vanguard Short-Term Bond Index Fund, and Vanguard Intermediate-Term Bond Index Fund each reserve the right to charge the following transaction fees to investors whose aggregate share purchases into a Fund equal or exceed the following amounts:

<u>Vanguard Fund</u>	<u>Transaction Fee</u>	<u>Aggregate Purchases</u>
Total Bond Market Index Fund	0.25%	Over \$500 million
Short-Term Bond Index Fund	0.15	Over \$200 million
Intermediate-Term Bond Index Fund	0.25	Over \$100 million

Each of the Vanguard Total Bond Market Index Fund, Vanguard Short-Term Bond Index Fund, and Vanguard Intermediate-Term Bond Index Fund may impose these transaction fees if an investor's aggregate purchases into a Fund over a 12-month period exceed, or are expected to exceed, the indicated amounts upon notice to the client in conjunction with a purchase that triggers application of the fees. The transaction fees will be assessed only if the client elects to proceed with the purchase. Generally, these fees will not apply to transactions coordinated in advance between a client and Vanguard.

Unlike a sales charge or a load paid to a broker or a fund management company, purchase and transaction fees are paid directly to the Fund to offset the costs of buying securities.

See **Investing With Vanguard** for more information about fees.

In the Investing With Vanguard section, the following will replace similar text that begins with the heading "Transaction Fees on Purchases":

## **Purchase and Transaction Fees**

Vanguard Long-Term Bond Index Fund charges a fee of 0.50% on purchases of shares, including shares that you purchase by exchange from another Vanguard fund.

In addition, Vanguard Total Bond Market Index Fund, Vanguard Short-Term Bond Index Fund, and Vanguard Intermediate-Term Bond Index Fund each reserve the right to charge the following transaction fees to investors whose aggregate share purchases into a Fund equal or exceed the following amounts:

<u>Vanguard Fund</u>	<u>Transaction Fee</u>	<u>Aggregate Purchases</u>
Total Bond Market Index Fund	0.25%	Over \$500 million
Short-Term Bond Index Fund	0.15	Over \$200 million
Intermediate-Term Bond Index Fund	0.25	Over \$100 million

Each of the Vanguard Total Bond Market Index Fund, Vanguard Short-Term Bond Index Fund, and Vanguard Intermediate-Term Bond Index Fund may impose these transaction fees if an investor's aggregate purchases into a Fund over a 12-month period exceed, or are expected to exceed, the indicated amounts upon notice to the client in conjunction with a purchase that triggers application of the fees. The transaction fees will be assessed only if the client elects to proceed with the purchase. Generally, these fees will not apply to transactions coordinated in advance between a client and Vanguard.

Purchase fees *will not* apply to Vanguard fund account purchases in the following circumstances: (1) purchases of shares through reinvested dividends or capital gains distributions; (2) share transfers, rollovers, or reregistrations within the same fund; (3) conversions of shares from one share class to another in the same fund; (4) purchases in kind; and (5) share rollovers to an IRA within the same Vanguard fund for plans in which Vanguard serves as a recordkeeper. Unlike a sales charge or a load paid to a broker or a fund management company, purchase and transaction fees are paid directly to the Fund to offset the costs of buying securities.



**Vanguard**<sup>®</sup>

Vanguard FTSE All-World ex-US Small-Cap Index Fund  
Vanguard FTSE Social Index Fund  
Vanguard High Dividend Yield Index Fund  
Vanguard Long-Term Bond Index Fund  
Vanguard Total World Stock Index Fund

(each, a “Fund,” and together, the “Funds”)

**Supplement to the Prospectuses and Summary Prospectuses  
for Investor Shares and Admiral<sup>™</sup> Shares**

Effective March 14, 2019, each Fund’s Investor Shares will generally be closed to new investors. Investor Shares will remain open to existing investors. You may convert your Investor Shares to Admiral Shares at any time by contacting Vanguard.

It is anticipated that the Funds’ outstanding Investor Shares will be automatically converted to Admiral Shares beginning in April 2019.



**Vanguard**<sup>®</sup>

Vanguard FTSE All-World ex-US Small-Cap Index Fund  
Vanguard FTSE Social Index Fund  
Vanguard High Dividend Yield Index Fund  
Vanguard Long-Term Bond Index Fund  
Vanguard Total World Stock Index Fund

(each, a “Fund” and together, the “Funds”)

**Supplement to the Prospectuses and Summary Prospectuses for  
Investor Shares and Admiral<sup>™</sup> Shares**

Admiral Shares of each Fund will be available for investment effective February 7, 2019. The Funds’ Admiral Shares have an investment minimum of \$3,000.

You may convert your Investor Shares to Admiral Shares at any time by contacting Vanguard. It is anticipated that the Funds’ outstanding Investor Shares will be automatically converted to Admiral Shares beginning in April 2019.



**Vanguard®**

Vanguard 500 Index Fund  
Vanguard Balanced Index Fund  
Vanguard Developed Markets Index Fund  
Vanguard Dividend Appreciation Index Fund  
Vanguard Emerging Markets Government Bond Index Fund  
Vanguard Emerging Markets Stock Index Fund  
Vanguard European Stock Index Fund  
Vanguard Extended Market Index Fund  
Vanguard FTSE All-World ex-US Index Fund  
Vanguard Global ex-U.S. Real Estate Index Fund  
Vanguard Growth Index Fund  
Vanguard Intermediate-Term Bond Index Fund  
Vanguard Intermediate-Term Corporate Bond Index Fund  
Vanguard Intermediate-Term Treasury Index Fund  
Vanguard International Dividend Appreciation Index Fund  
Vanguard International High Dividend Yield Index Fund  
Vanguard Large-Cap Index Fund  
Vanguard Long-Term Corporate Bond Index Fund  
Vanguard Long-Term Treasury Index Fund  
Vanguard Mid-Cap Growth Index Fund  
Vanguard Mid-Cap Index Fund  
Vanguard Mid-Cap Value Index Fund  
Vanguard Mortgage-Backed Securities Index Fund  
Vanguard Pacific Stock Index Fund  
Vanguard Real Estate Index Fund  
Vanguard Short-Term Bond Index Fund  
Vanguard Short-Term Corporate Bond Index Fund  
Vanguard Short-Term Inflation-Protected Securities Index Fund  
Vanguard Short-Term Treasury Index Fund  
Vanguard Small-Cap Growth Index Fund  
Vanguard Small-Cap Index Fund  
Vanguard Small-Cap Value Index Fund  
Vanguard Tax-Exempt Bond Index Fund  
Vanguard Total Bond Market Index Fund  
Vanguard Total International Bond Index Fund  
Vanguard Total International Stock Index Fund  
Vanguard Total Stock Market Index Fund  
Vanguard Value Index Fund

## **Supplement to the Prospectuses and Summary Prospectuses for Investor Shares and Admiral™ Shares**

Effective November 19, 2018, (i) Admiral Shares have an investment minimum of \$3,000, and (ii) Investor Shares are generally closed to new investors. Investor Shares will remain open to existing investors and certain new institutional investors. You may convert your Investor Shares to Admiral Shares at any time by contacting Vanguard.

It is anticipated that all of the outstanding Investor Shares will be automatically converted to Admiral Shares beginning in April 2019, with the exception of those held by Vanguard funds and certain other institutional investors. At that time, Investor Shares will be available for ongoing investment only by Vanguard funds and certain other institutional investors.



**Vanguard**<sup>®</sup>

# Vanguard Bond Index Funds Prospectus

April 26, 2019

## Investor Shares & Admiral<sup>™</sup> Shares

Vanguard Total Bond Market Index Fund Investor Shares (VBMFX)

Vanguard Total Bond Market Index Fund Admiral Shares (VBTLX)

Vanguard Short-Term Bond Index Fund Investor Shares (VBISX)

Vanguard Short-Term Bond Index Fund Admiral Shares (VBIRX)

Vanguard Intermediate-Term Bond Index Fund Investor Shares (VBIIIX)

Vanguard Intermediate-Term Bond Index Fund Admiral Shares (VBILX)

Vanguard Long-Term Bond Index Fund Investor Shares (VBLTX)

Vanguard Long-Term Bond Index Fund Admiral Shares (VBLAX)

**See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.**

This prospectus contains financial data for the Funds through the fiscal year ended December 31, 2018.

The Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.



## Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the SEC, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this prospectus or by logging on to [vanguard.com](http://vanguard.com).

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this prospectus or log on to [vanguard.com](http://vanguard.com). Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

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# Vanguard Total Bond Market Index Fund

## Investment Objective

The Fund seeks to track the performance of a broad, market-weighted bond index.

## Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold Investor Shares or Admiral Shares of the Fund.

### Shareholder Fees

(Fees paid directly from your investment)

	Investor Shares	Admiral Shares
Sales Charge (Load) Imposed on Purchases	None	None
Purchase Fee	None	None
Sales Charge (Load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Account Service Fee (for certain fund account balances below \$10,000)	\$20/year	\$20/year

### Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Admiral Shares
Management Fees	0.13%	0.04%
12b-1 Distribution Fee	None	None
Other Expenses	0.02%	0.01%
Total Annual Fund Operating Expenses	0.15%	0.05%

## Examples

The following examples are intended to help you compare the cost of investing in the Fund's Investor Shares or Admiral Shares with the cost of investing in other mutual funds. They illustrate the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Fund's shares. These examples assume that the shares provide a return of 5% each year and that total annual fund operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$15	\$48	\$85	\$192
Admiral Shares	\$5	\$16	\$28	\$64

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense examples, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 54% of the average value of its portfolio.

## Principal Investment Strategies

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index. This Index represents 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 broadly diversified collection of securities that, in the aggregate, approximates 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 generally ranges between 5 and 10 years. As of December 31, 2018, the dollar-weighted average maturity of the Index was 8.3 years.

## Principal Risks

An investment in the Fund could lose money over short or long periods of time. 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:

- *Interest rate risk*, which is 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*, which is the chance that the Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds and moderate for intermediate-term bond funds, so investors should expect the Fund's monthly income to fluctuate accordingly.
- *Prepayment risk*, which is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment 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. Such prepayments and subsequent reinvestments would also increase the Fund's portfolio turnover rate. Prepayment risk should be moderate for the Fund.
- *Extension risk*, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates. Extension risk should be moderate for the Fund.
- *Call risk*, which is 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. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate. Call risk should be low for the Fund because it invests only a small portion of its assets in callable bonds.
- *Credit risk*, which is 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.

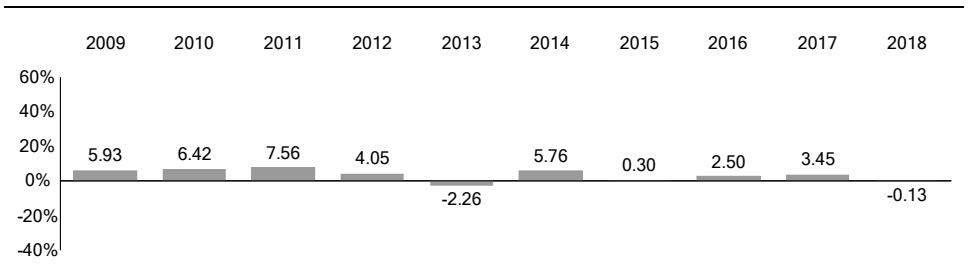
- *Index sampling risk*, which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund’s target index. Index sampling risk for the Fund is expected to be low.
- *Liquidity risk*, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

**An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

### Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund’s Investor Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the share classes presented compare with those of the Fund’s target index and other comparative indexes, which have investment characteristics similar to those of the Fund. The Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index reflects the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (not float-adjusted) through December 31, 2009, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter. Keep in mind that the Fund’s past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [vanguard.com/performance](http://vanguard.com/performance) or by calling Vanguard toll-free at 800-662-7447.

**Annual Total Returns — Vanguard Total Bond Market Index Fund Investor Shares**



During the periods shown in the bar chart, the highest return for a calendar quarter was 3.98% (quarter ended September 30, 2011), and the lowest return for a quarter was -3.19% (quarter ended December 31, 2016).

## Average Annual Total Returns for Periods Ended December 31, 2018

	1 Year	5 Years	10 Years
<b>Vanguard Total Bond Market Index Fund Investor Shares</b>			
Return Before Taxes	-0.13%	2.35%	3.31%
Return After Taxes on Distributions	-1.22	1.26	2.14
Return After Taxes on Distributions and Sale of Fund Shares	-0.08	1.32	2.10
<b>Vanguard Total Bond Market Index Fund Admiral Shares</b>			
Return Before Taxes	-0.03%	2.46%	3.42%
<b>Comparative Indexes</b> (reflect no deduction for fees, expenses, or taxes)			
Bloomberg Barclays U.S. Aggregate Float Adjusted Index	-0.08%	2.50%	—
Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index	-0.08	2.50	3.49
Bloomberg Barclays U.S. Aggregate Bond Index	0.01	2.52	3.48

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are shown only for the Investor Shares and may differ for each share class. After-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* may be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

### Investment Advisor

The Vanguard Group, Inc. (Vanguard)

### Portfolio Manager

Joshua C. Barrickman, CFA, Principal of Vanguard and head of Vanguard's Fixed Income Indexing Americas. He has managed the Fund since 2013.

## **Purchase and Sale of Fund Shares**

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The minimum investment amount required to open and maintain a Fund account for Investor Shares or Admiral Shares is \$3,000. The minimum investment amount required to add to an existing Fund account is generally \$1. Financial intermediaries, institutional clients, and Vanguard-advised clients should contact Vanguard for information on special eligibility rules that may apply to them regarding Admiral Shares. If you are investing through an intermediary, please contact that firm directly for more information regarding your eligibility. If you are investing through an employer-sponsored retirement or savings plan, your plan administrator or your benefits office can provide you with detailed information on how you can invest through your plan.

## **Tax Information**

The Fund's distributions may be taxable as ordinary income or capital gain. If you are investing through a tax-advantaged account, such as an IRA or an employer-sponsored retirement or savings plan, special tax rules apply.

## **Payments to Financial Intermediaries**

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

# Vanguard Short-Term Bond Index Fund

## Investment Objective

The Fund seeks to track the performance of a market-weighted bond index with a short-term dollar-weighted average maturity.

## Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold Investor Shares or Admiral Shares of the Fund.

### Shareholder Fees

(Fees paid directly from your investment)

	Investor Shares	Admiral Shares
Sales Charge (Load) Imposed on Purchases	None	None
Purchase Fee	None	None
Sales Charge (Load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Account Service Fee (for certain fund account balances below \$10,000)	\$20/year	\$20/year

### Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Admiral Shares
Management Fees	0.13%	0.06%
12b-1 Distribution Fee	None	None
Other Expenses	0.02%	0.01%
Total Annual Fund Operating Expenses	0.15%	0.07%



## Examples

The following examples are intended to help you compare the cost of investing in the Fund's Investor Shares or Admiral Shares with the cost of investing in other mutual funds. They illustrate the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Fund's shares. These examples assume that the shares provide a return of 5% each year and that total annual fund operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$15	\$48	\$85	\$192
Admiral Shares	\$7	\$23	\$40	\$90

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense examples, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 48% of the average value of its portfolio.

## Principal Investment Strategies

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 1 and 5 years and are publicly issued.

The Fund invests by *sampling* the Index, meaning that it holds a range of securities that, in the aggregate, approximates 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 generally does not exceed 3 years. As of December 31, 2018, the dollar-weighted average maturity of the Index was 2.8 years.

## Principal Risks

The Fund is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. The Fund is subject to the following risks, which could affect the Fund's performance:

- *Income risk*, which is the chance that the Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the Fund's monthly income to fluctuate.
- *Interest rate risk*, which is the chance that bond prices will decline because of rising interest rates. Interest rate risk should be low for the Fund because it invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are the prices of longer-term bonds.
- *Credit risk*, which is 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.
- *Index sampling risk*, which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index. Index sampling risk for the Fund is expected to be low.
- *Liquidity risk*, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

**An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

## Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's Investor Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the share classes presented compare with those of the Fund's target index and other comparative indexes, which have investment characteristics similar to those of the Fund. The Spliced Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index reflects the performance of the Bloomberg Barclays U.S. 1-5 Year Government/Credit Bond Index (not float-adjusted) through December 31, 2009, and the Bloomberg Barclays U.S. 1-5 Year Government/Credit Float Adjusted Index thereafter. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [vanguard.com/performance](http://vanguard.com/performance) or by calling Vanguard toll-free at 800-662-7447.

## Annual Total Returns — Vanguard Short-Term Bond Index Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 2.04% (quarter ended September 30, 2009), and the lowest return for a quarter was -1.14% (quarter ended December 31, 2016).

## Average Annual Total Returns for Periods Ended December 31, 2018

	1 Year	5 Years	10 Years
<b>Vanguard Short-Term Bond Index Fund Investor Shares</b>			
Return Before Taxes	1.27%	1.16%	1.89%
Return After Taxes on Distributions	0.47	0.52	1.19
Return After Taxes on Distributions and Sale of Fund Shares	0.74	0.60	1.19
<b>Vanguard Short-Term Bond Index Fund Admiral Shares</b>			
Return Before Taxes	1.35%	1.24%	1.98%
<b>Comparative Indexes</b> (reflect no deduction for fees, expenses, or taxes)			
Bloomberg Barclays U.S. 1-5 Year Gov/Credit Float Adjusted Index	1.38%	1.32%	—
Spliced Bloomberg Barclays U.S. 1-5 Year Gov/Credit Float Adjusted Index	1.38	1.32	2.09
Bloomberg Barclays U.S. 1-5 Year Gov/Credit Bond Index	1.38	1.32	2.09

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are shown only for the Investor Shares and may differ for each share class. After-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also,

figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* may be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

### **Investment Advisor**

The Vanguard Group, Inc. (Vanguard)

Portfolio Manager

Joshua C. Barrickman, CFA, Principal of Vanguard and head of Vanguard's Fixed Income Indexing Americas. He has managed the Fund since 2013.

### **Purchase and Sale of Fund Shares**

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The minimum investment amount required to open and maintain a Fund account for Investor Shares or Admiral Shares is \$3,000. The minimum investment amount required to add to an existing Fund account is generally \$1. Financial intermediaries, institutional clients, and Vanguard-advised clients should contact Vanguard for information on special eligibility rules that may apply to them regarding Admiral Shares. If you are investing through an intermediary, please contact that firm directly for more information regarding your eligibility. If you are investing through an employer-sponsored retirement or savings plan, your plan administrator or your benefits office can provide you with detailed information on how you can invest through your plan.

### **Tax Information**

The Fund's distributions may be taxable as ordinary income or capital gain. If you are investing through a tax-advantaged account, such as an IRA or an employer-sponsored retirement or savings plan, special tax rules apply.

### **Payments to Financial Intermediaries**

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

# Vanguard Intermediate-Term Bond Index Fund

## Investment Objective

The Fund seeks to track the performance of a market-weighted bond index with an intermediate-term dollar-weighted average maturity.

## Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold Investor Shares or Admiral Shares of the Fund.

### Shareholder Fees

(Fees paid directly from your investment)

	Investor Shares	Admiral Shares
Sales Charge (Load) Imposed on Purchases	None	None
Purchase Fee	None	None
Sales Charge (Load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Account Service Fee (for certain fund account balances below \$10,000)	\$20/year	\$20/year

### Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Admiral Shares
Management Fees	0.11%	0.06%
12b-1 Distribution Fee	None	None
Other Expenses	0.04%	0.01%
Total Annual Fund Operating Expenses	0.15%	0.07%

## Examples

The following examples are intended to help you compare the cost of investing in the Fund's Investor Shares or Admiral Shares with the cost of investing in other mutual funds. They illustrate the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Fund's shares. These examples assume that the shares provide a return of 5% each year and that total annual fund operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$15	\$48	\$85	\$192
Admiral Shares	\$7	\$23	\$40	\$90

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense examples, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 53% of the average value of its portfolio.

## Principal Investment Strategies

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued.

The Fund invests by *sampling* the Index, meaning that it holds a range of securities that, in the aggregate, approximates 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 generally ranges between 5 and 10 years. As of December 31, 2018, the dollar-weighted average maturity of the Index was 7.2 years. The Fund also maintains an average duration consistent with that of the Index; as of December 31, 2018, the average duration of the Index was 6.3 years.

## Principal Risks

An investment in the Fund could lose money over short or long periods of time. 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:

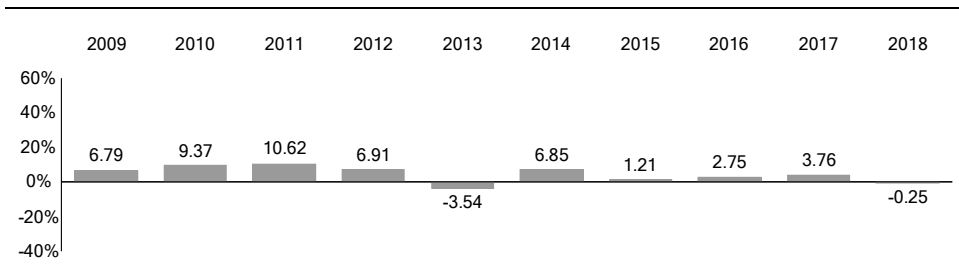
- *Interest rate risk*, which is the chance that bond prices will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because it invests primarily in intermediate-term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.
- *Income risk*, which is the chance that the Fund's income will decline because of falling interest rates. Income risk is generally moderate for intermediate-term bond funds, so investors should expect the Fund's monthly income to fluctuate accordingly.
- *Credit risk*, which is 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.
- *Index sampling risk*, which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index. Index sampling risk for the Fund is expected to be low.
- *Liquidity risk*, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

**An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

## Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's Investor Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the share classes presented compare with those of the Fund's target index and other comparative indexes, which have investment characteristics similar to those of the Fund. The Spliced Bloomberg Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index reflects the performance of the Bloomberg Barclays U.S. 5-10 Year Government/Credit Bond Index (not float-adjusted) through December 31, 2009, and the Bloomberg Barclays U.S. 5-10 Year Government/Credit Float Adjusted Index thereafter. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [vanguard.com/performance](http://vanguard.com/performance) or by calling Vanguard toll-free at 800-662-7447.

## Annual Total Returns — Vanguard Intermediate-Term Bond Index Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 5.39% (quarter ended September 30, 2009), and the lowest return for a quarter was -4.17% (quarter ended December 31, 2016).

## Average Annual Total Returns for Periods Ended December 31, 2018

	1 Year	5 Years	10 Years
<b>Vanguard Intermediate-Term Bond Index Fund Investor Shares</b>			
Return Before Taxes	-0.25%	2.84%	4.36%
Return After Taxes on Distributions	-1.38	1.61	2.96
Return After Taxes on Distributions and Sale of Fund Shares	-0.16	1.65	2.89
<b>Vanguard Intermediate-Term Bond Index Fund Admiral Shares</b>			
Return Before Taxes	-0.17%	2.92%	4.46%
<b>Comparative Indexes</b> (reflect no deduction for fees, expenses, or taxes)			
Bloomberg Barclays U.S. 5-10 Year Gov/Credit Float Adjusted Index	-0.07%	2.98%	—
Spliced Bloomberg Barclays U.S. 5-10 Year Gov/Credit Float Adjusted Index	-0.07	2.98	4.48
Bloomberg Barclays U.S. 5-10 Year Gov/Credit Bond Index	-0.07	2.98	4.47

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are shown only for the Investor Shares and may differ for each share class. After-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also,



figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* may be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

### **Investment Advisor**

The Vanguard Group, Inc. (Vanguard)

Portfolio Manager

Joshua C. Barrickman, CFA, Principal of Vanguard and head of Vanguard's Fixed Income Indexing Americas. He has managed the Fund since 2008.

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You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The minimum investment amount required to open and maintain a Fund account for Investor Shares or Admiral Shares is \$3,000. The minimum investment amount required to add to an existing Fund account is generally \$1. Financial intermediaries, institutional clients, and Vanguard-advised clients should contact Vanguard for information on special eligibility rules that may apply to them regarding Admiral Shares. If you are investing through an intermediary, please contact that firm directly for more information regarding your eligibility. If you are investing through an employer-sponsored retirement or savings plan, your plan administrator or your benefits office can provide you with detailed information on how you can invest through your plan.

### **Tax Information**

The Fund's distributions may be taxable as ordinary income or capital gain. If you are investing through a tax-advantaged account, such as an IRA or an employer-sponsored retirement or savings plan, special tax rules apply.

### **Payments to Financial Intermediaries**

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

# Vanguard Long-Term Bond Index Fund

## Investment Objective

The Fund seeks to track the performance of a market-weighted bond index with a long-term dollar-weighted average maturity.

## Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold Investor Shares or Admiral Shares of the Fund.

### Shareholder Fees

(Fees paid directly from your investment)

	Investor Shares	Admiral Shares
Sales Charge (Load) Imposed on Purchases	None	None
Purchase Fee	None	None
Sales Charge (Load) Imposed on Reinvested Dividends	None	None
Redemption Fee	None	None
Account Service Fee (for certain fund account balances below \$10,000)	\$20/year	\$20/year

### Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

	Investor Shares	Admiral Shares <sup>1</sup>
Management Fees	0.13%	0.04%
12b-1 Distribution Fee	None	None
Other Expenses	0.02%	0.03%
Total Annual Fund Operating Expenses	0.15%	0.07%

<sup>1</sup> The expense information shown in the table reflects estimated amounts for the current fiscal year.

## Examples

The following examples are intended to help you compare the cost of investing in the Fund's Investor Shares or Admiral Shares with the cost of investing in other mutual funds. They illustrate the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Fund's shares. These examples assume that the shares provide a return of 5% each year and that total annual fund operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Investor Shares	\$15	\$48	\$85	\$192
Admiral Shares	\$7	\$23	\$40	\$90

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense examples, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 38% of the average value of its portfolio.

## Principal Investment Strategies

The Fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index. This Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years and are publicly issued.

The Fund invests by *sampling* the Index, meaning that it holds a range of securities that, in the aggregate, approximates 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 generally ranges between 15 and 30 years. As of December 31, 2018, the dollar-weighted average maturity of the Index was 24.1 years. The Fund also maintains an average duration consistent with that of the Index; as of December 31, 2018, the average duration of the Index was 15 years.

## Principal Risks

An investment in the Fund could lose money over short or long periods of time. 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:

- *Interest rate risk*, which is the chance that bond prices will decline because of rising interest rates. Interest rate risk should be high for the Fund because it invests primarily in long-term bonds, whose prices are more sensitive to interest rate changes than are the prices of shorter-term bonds.
- *Income risk*, which is the chance that the Fund's income will decline because of falling interest rates. Income risk should be low for the Fund because it invests primarily in long-term bonds.
- *Credit risk*, which is 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.
- *Index sampling risk*, which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index. Index sampling risk for the Fund is expected to be low.
- *Liquidity risk*, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.

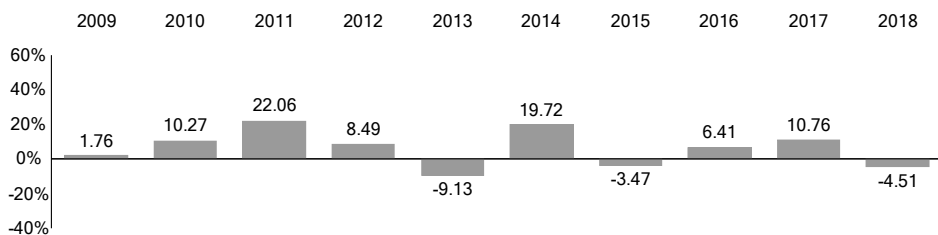
**An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

## Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's Investor Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the Investor Shares compare with those of the Fund's target index and other comparative indexes, which have investment characteristics similar to those of the Fund. The Fund's Admiral Shares have not been in operation long enough to report a full calendar-year return. Performance of the Fund's Admiral Shares would be substantially similar to that of the Investor Shares because both share classes constitute an investment in the same portfolio of securities; therefore, their returns generally should differ only to the extent that the expenses of the two share classes differ. The Spliced Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index reflects the performance of the Bloomberg Barclays U.S. Long Government/Credit Bond Index (not float-adjusted) through December 31, 2009, and the Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index thereafter. Keep in mind that the Fund's past performance (before and

after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [vanguard.com/performance](http://vanguard.com/performance) or by calling Vanguard toll-free at 800-662-7447.

#### Annual Total Returns — Vanguard Long-Term Bond Index Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 16.01% (quarter ended September 30, 2011), and the lowest return for a quarter was -8.30% (quarter ended December 31, 2016).

#### Average Annual Total Returns for Periods Ended December 31, 2018

	1 Year	5 Years	10 Years
<b>Vanguard Long-Term Bond Index Fund Investor Shares</b>			
Return Before Taxes	-4.51%	5.40%	5.79%
Return After Taxes on Distributions	-6.03	3.63	3.96
Return After Taxes on Distributions and Sale of Fund Shares	-2.65	3.38	3.78
<b>Comparative Indexes</b> (reflect no deduction for fees, expenses, or taxes)			
Bloomberg Barclays U.S. Long Gov/Credit Float Adjusted Index	-4.68%	5.37%	—
Spliced Bloomberg Barclays U.S. Long Gov/Credit Float Adjusted Index	-4.68	5.37	5.88
Bloomberg Barclays U.S. Long Gov/Credit Bond Index	-4.68	5.37	5.88

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* may be higher than other figures for the

same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

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#### Portfolio Manager

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### **Tax Information**

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### **Payments to Financial Intermediaries**

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

# Investing in Index Funds

## What Is Indexing?

Indexing is an investment strategy for tracking the performance of a specified market benchmark, or “index.” An index is a group of securities whose overall performance is used as a standard to measure the investment performance of a particular market. There are many types of indexes. Some represent entire markets—such as the U.S. stock market or the U.S. bond market. Other indexes cover market segments—such as small-capitalization stocks or short-term bonds. One cannot invest directly in an index.


The index sponsor determines the securities to include in the index, the weighting of each security in the index, and the appropriate time to make changes to the composition of the index. Generally, the index sponsor does not provide any warranty, or accept any liability, with respect to the quality, accuracy, or completeness of either the target index or its related data. Errors made by the index sponsor may occur from time to time and Vanguard does not provide any warranty or guarantee against such errors. Therefore, the gains, losses, or costs associated with the index sponsor’s errors will generally be borne by the index fund and its shareholders.

An index fund seeks to hold all, or a representative sample, of the securities that make up its target index. Index funds attempt to mirror the performance of the target index, for better or worse. However, an index fund generally does not perform *exactly* like its target index. For example, index funds have operating expenses and transaction costs. Market indexes do not, and therefore they will usually have a slight performance advantage over funds that track them.

Index funds typically have the following characteristics:

- *Variety of investments.* Index funds generally invest in the securities of a variety of companies and industries.
- *Relative performance consistency.* Because they seek to track market benchmarks, index funds usually do not perform dramatically better or worse than their benchmarks.
- *Low cost.* Index funds are generally inexpensive to run compared with actively managed funds. They have low or no research costs and typically keep trading activity—and thus dealer markups and other transaction costs—to a minimum compared with actively managed funds.

## More on the Funds

This prospectus describes the principal risks you would face as a Fund shareholder. It is important to keep in mind one of the main principles of investing: generally, the higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: the lower the risk, the lower the potential reward. As you consider an investment in any mutual fund, you should take into account your personal tolerance for fluctuations in the securities markets. Look for this  symbol throughout the prospectus. It is used to mark detailed information about the more significant risks that you would confront as a Fund shareholder. To highlight terms and concepts important to mutual fund investors, we have provided Plain Talk<sup>®</sup> explanations along the way. Reading the prospectus will help you decide whether a Fund is the right investment for you. We suggest that you keep this prospectus for future reference.

### Share Class Overview

This prospectus offers the Funds' Investor Shares and Admiral Shares. A separate prospectus offers Institutional Shares and Institutional Plus Shares of the Funds, which are generally for investors who invest a minimum of \$5 million and \$100 million, respectively. Another prospectus offers Institutional Select Shares for the Total Bond Market Index Fund, which are generally for investors who invest a minimum of \$3 billion. In addition, each Fund issues ETF Shares (an exchange-traded class of shares), which are also offered through a separate prospectus.

All share classes offered by a Fund have the same investment objective, strategies, and policies. However, different share classes have different expenses; as a result, their investment returns will differ.

### Plain Talk About Costs of Investing

Costs are an important consideration in choosing a mutual fund. That is because you, as a shareholder, pay a proportionate share of the costs of operating a fund and any transaction costs incurred when the fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation a fund achieves. Even seemingly small differences in expenses can, over time, have a dramatic effect on a fund's performance.

The following sections explain the principal investment strategies and policies that each Fund uses in pursuit of its objective. The Funds' board of trustees, which oversees each Fund's management, may change investment strategies or policies in the interest of shareholders without a shareholder vote, unless those strategies or policies are designated as fundamental. Each Fund's policy of investing at least 80% of its assets in bonds that are part of its target index may be changed only upon 60 days' notice to shareholders.



## Market Exposure



*Each Fund is subject to interest rate risk, which is the chance that bond prices will decline because of rising interest rates. Interest rate risk should be low for short-term bond funds, moderate for intermediate-term bond funds, and high for long-term bond funds.*

Although bonds are often thought to be less risky than stocks, there have been periods when bond prices have fallen significantly because of rising interest rates. For instance, prices of long-term bonds fell by almost 48% between December 1976 and September 1981.

To illustrate the relationship between bond prices and interest rates, the following table shows the effect of a 1% and a 2% change (both up and down) in interest rates on the values of three noncallable bonds (i.e., bonds that cannot be redeemed by the issuer) of different maturities, each with a face value of \$1,000.

### How Interest Rate Changes Affect the Value of a \$1,000 Bond<sup>1</sup>

Type of Bond (Maturity)	After a 1% Increase	After a 1% Decrease	After a 2% Increase	After a 2% Decrease
Short-Term (2.5 years)	\$977	\$1,024	\$954	\$1,049
Intermediate-Term (10 years)	922	1,086	851	1,180
Long-Term (20 years)	874	1,150	769	1,328

<sup>1</sup> Assuming a 4% coupon rate.


These figures are for illustration only; you should not regard them as an indication of future performance of the bond market as a whole or the Funds in particular.

## Plain Talk About Bonds and Interest Rates

As a rule, when interest rates rise, bond prices fall. The opposite is also true: Bond prices go up when interest rates fall. Why do bond prices and interest rates move in opposite directions? Let's assume that you hold a bond offering a 4% yield. A year later, interest rates are on the rise and bonds of comparable quality and maturity are offered with a 5% yield. With higher-yielding bonds available, you would have trouble selling your 4% bond for the price you paid—you would probably have to lower your asking price. On the other hand, if interest rates were falling and 3% bonds were being offered, you should be able to sell your 4% bond for more than you paid.

*How mortgage-backed securities are different:* In general, declining interest rates will not lift the prices of mortgage-backed securities—such as those guaranteed by the Government National Mortgage Association—as much as the prices of comparable bonds. Why? Because when interest rates fall, the bond market tends to discount the prices of mortgage-backed securities for prepayment risk—the possibility that homeowners will refinance their mortgages at lower rates and cause the bonds to be paid off prior to maturity. In part to compensate for this prepayment possibility, mortgage-backed securities tend to offer higher yields than other bonds of comparable credit quality and maturity. In contrast, when interest rates rise, prepayments tend to slow down, subjecting mortgage-backed securities to extension risk—the possibility that homeowners will repay their mortgages at slower rates. This will lengthen the duration or average life of mortgage-backed securities held by a fund and delay the fund's ability to reinvest proceeds at higher interest rates, making the fund more sensitive to changes in interest rates.


Changes in interest rates can affect bond *income* as well as bond *prices*.


 ***Each Fund is subject to income risk, which is the chance that the Fund's income will decline because of falling interest rates. A fund's income declines when interest rates fall because the fund then must invest new cash flow and cash from maturing bonds in lower-yielding bonds. Income risk is generally higher for short-term bond funds and lower for long-term bond funds.***


## Plain Talk About Bond Maturities

A bond is issued with a specific maturity date—the date when the issuer must pay back the bond’s principal (face value). Bond maturities range from less than 1 year to more than 30 years. Typically, the longer a bond’s maturity, the more price risk you, as a bond investor, will face as interest rates rise—but also the higher the potential yield you could receive. Longer-term bonds are more suitable for investors willing to take a greater risk of price fluctuations to get higher and more stable interest income. Shorter-term bond investors should be willing to accept lower yields and greater income variability in return for less fluctuation in the value of their investment. The stated maturity of a bond may differ from the effective maturity of a bond, which takes into consideration that an action such as a call or refunding may cause bonds to be repaid before their stated maturity dates.


Although falling interest rates tend to strengthen bond prices, they can cause other problems for bond fund investors—bond calls and prepayments.

 *The Total Bond Market Index Fund is subject to prepayment risk, which is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment 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. Such prepayments and subsequent reinvestments would also increase the Fund’s portfolio turnover rate. Prepayment risk should be moderate for the Fund.*

 *The Total Bond Market Index Fund is subject to extension risk, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities held by the Fund and delay the Fund’s ability to reinvest proceeds at higher interest rates, making the Fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates. Extension risk should be moderate for the Fund.*

 ***Each Fund is subject to call risk, which is 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. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate.***

Call risk should be low for the Total Bond Market Index Fund and very low for the other Funds.


 ***Each Fund is subject to credit risk, which is 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.***

### Plain Talk About Credit Quality

A bond's credit quality rating is an assessment of the issuer's ability to pay interest on the bond and, ultimately, to repay the principal. The lower the credit quality, the greater the perceived chance that the bond issuer will default, or fail to meet its payment obligations. All things being equal, the lower a bond's credit quality, the higher its yield should be to compensate investors for assuming additional risk.

The credit quality of each Fund is expected to be very high, and thus credit risk is expected to be low.

To a limited extent, the Funds are subject to event risk, which is the chance that corporate fixed income securities held by a Fund may suffer a substantial decline in credit quality and market value because of a restructuring of the companies that issued the securities or because of other factors negatively affecting the issuers.

 ***Each Fund is subject to liquidity risk, which is the chance that the Fund may not be able to sell a security in a timely manner at a desired price.***

Corporate bonds are traded among dealers and brokers that connect buyers with sellers. Liquidity in the corporate bond market may be challenged depending on overall economic conditions and credit tightening. There may be little trading in the secondary market for particular bonds and other debt securities, which may make them more difficult to value or sell.

## Security Selection

**Index sampling strategy.** Because it would be very expensive and inefficient to buy and sell *all* securities held in their target indexes, each Fund uses index “sampling” techniques to select securities. Using computer programs, each Fund’s advisor generally selects a representative sample of securities that approximates the full target index in terms of key risk factors and other characteristics. These factors include duration, cash flow, quality, and callability of the underlying bonds. In addition, each Fund keeps industry sector and subsector exposure within tight boundaries relative to its target index. Because the Funds do *not* hold all of the securities included in their target indexes, some of the securities (and issuers) that are held will likely be overweighted (or underweighted) compared with the target indexes. The maximum overweight (or underweight) is constrained at the issuer level with the goal of producing well-diversified credit exposure in the portfolio.



*Each Fund is subject to index sampling risk, which is the chance that the securities selected for a Fund, in the aggregate, will not provide investment performance matching that of the Fund’s target index. Index sampling risk for each Fund is expected to be low.*

The following table shows the number of bonds held by each Fund, as well as the number of bonds in each Fund’s target index, as of December 31, 2018.

<b>Vanguard Fund</b>	<b>Number of Bonds Held</b>	<b>Number of Bonds in Target Index</b>
Total Bond Market Index Fund	8,582	10,248
Short-Term Bond Index Fund	2,552	2,908
Intermediate-Term Bond Index Fund	1,842	1,963
Long-Term Bond Index Fund	2,149	2,233

**Types of bonds.** The Total Bond Market Index Fund tracks the Bloomberg Barclays U.S. Aggregate Float Adjusted Index; the Short-Term, Intermediate-Term, and Long-Term Bond Index Funds track subsets of that Index. The Bloomberg Barclays U.S. Aggregate Float Adjusted Index measures the total universe 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.

As of December 31, 2018, each Fund was composed of the following types of bonds:

Vanguard Fund	U.S. Government/ Agency	Corporate	Mortgage- Backed	International Dollar- Denominated	Other	Total
Total Bond Market Index Fund	43.3%	28.9%	22.1%	5.2%	0.5%	100%
Short-Term Bond Index Fund	65.6	27.0	—	7.3	0.1	100
Intermediate-Term Bond Index Fund	54.0	40.4	—	5.3	0.3	100
Long-Term Bond Index Fund	43.5	48.7	—	7.6	0.2	100

An explanation of each type of bond follows:

- U.S. government and agency bonds* represent loans by investors to the U.S. Treasury or a wide variety of government agencies and instrumentalities. Securities issued by most U.S. government entities are neither guaranteed by the U.S. Treasury nor backed by the full faith and credit of the U.S. government. These entities include, among others, the Federal Home Loan Banks (FHLBs), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC). Securities issued by the U.S. Treasury and a small number of U.S. government agencies, such as the Government National Mortgage Association (GNMA), are backed by the full faith and credit of the U.S. government. The market values of U.S. government and agency securities and U.S. Treasury securities are subject to fluctuation.
- Corporate bonds* are IOUs issued by businesses that want to borrow money for some purpose—often to develop a new product or service, to expand into a new market, or to buy another company. As with other types of bonds, the issuer promises to repay the principal on a specific date and to make interest payments in the meantime. The amount of interest offered depends both on market conditions and on the financial health of the corporation issuing the bonds; a company whose credit rating is not strong will have to offer a higher interest rate to obtain buyers for its bonds. For purposes of the preceding table, corporate bonds include securities that are backed by a pool of underlying assets (asset-backed securities) or commercial mortgages (commercial mortgage-backed bonds). Each Fund expects to purchase only *investment-grade* corporate bonds.

- *Mortgage-backed securities* represent interests in underlying pools of mortgages. Unlike ordinary bonds, which generally pay a fixed rate of interest at regular intervals and then repay principal upon maturity, mortgage-backed securities pass through both interest and principal from underlying mortgages as part of their regular payments. Because the mortgages underlying the securities can be prepaid at any time by homeowners or by corporate borrowers, mortgage-backed securities are subject to prepayment risk. These types of securities are issued by a number of government agencies, including the GNMA, the FHLMC, and the FNMA. Mortgage-backed securities issued by the GNMA are guaranteed by the full faith and credit of the U.S. government as to the timely payment of principal and interest; those issued by other government agencies or private corporations are not.

The Total Bond Market Index Fund may also invest in conventional mortgage-backed securities—which are packaged by private corporations and are not guaranteed by the U.S. government—and enter into mortgage-dollar-roll transactions. In a mortgage-dollar-roll transaction, the Fund sells mortgage-backed securities to a dealer and simultaneously agrees to purchase similar securities in the future at a predetermined price. These transactions simulate an investment in mortgage-backed securities and have the potential to enhance the Fund's returns and reduce its administrative burdens, compared with holding mortgage-backed securities directly. These transactions may increase the Fund's portfolio turnover rate. Mortgage dollar rolls will be used only to the extent that they are consistent with the Fund's investment objective and risk profile.

- *International dollar-denominated bonds* are bonds denominated in U.S. dollars and issued by foreign governments and companies. To the extent that a Fund owns foreign bonds, it is subject to country risk, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value and/or liquidity of securities issued by companies in foreign countries. In addition, the prices of foreign bonds and the prices of U.S. bonds have, at times, moved in opposite directions. Because the bond's value is designated in dollars rather than in the currency of the issuer's country, the investor is not exposed to currency risk; rather, the issuer assumes that risk, usually to attract U.S. investors. Although currency movements do not affect the value of international dollar-denominated bonds directly, they could affect the value indirectly by adversely affecting the issuer's ability (or the market's perception of the issuer's ability) to pay interest or repay principal.

## Plain Talk About U.S. Government-Sponsored Entities

A variety of U.S. government-sponsored entities (GSEs), such as the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Banks (FHLBs), issue debt and mortgage-backed securities. Although GSEs may be chartered or sponsored by acts of Congress, they are not funded by congressional appropriations. In September of 2008, the U.S. Treasury placed FNMA and FHLMC under conservatorship and appointed the Federal Housing Finance Agency (FHFA) to manage their daily operations. In addition, the U.S. Treasury entered into purchase agreements with FNMA and FHLMC to provide them with capital in exchange for senior preferred stock. Generally, a GSE's securities are neither issued nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. government. In most cases, these securities are supported only by the credit of the GSE, standing alone. In some cases, a GSE's securities may be supported by the ability of the GSE to borrow from the U.S. Treasury or may be supported by the U.S. government in some other way. Securities issued by the Government National Mortgage Association (GNMA), however, are backed by the full faith and credit of the U.S. government.

## Other Investment Policies and Risks

Each Fund will invest at least 80% of its assets in bonds held in its target index. Up to 20% of each Fund's assets may be used to purchase nonpublic, investment-grade securities, generally referred to as 144A securities, as well as smaller public issues or medium-term notes not included in the index because of the small size of the issue. The Fund's advisor expects that vast majority of these securities will have characteristics similar to those in the target indexes. Subject to the same 20% limit, the Funds may also purchase other investments that are outside of their target indexes or may hold bonds that, when acquired, were included in the index but subsequently were removed. The Funds may also invest in relatively conservative classes of collateralized mortgage obligations (CMOs), which offer a high degree of cash-flow predictability and a low level of vulnerability to mortgage prepayment risk. To reduce credit risk, these less-risky classes of CMOs are purchased only if they are issued by agencies of the U.S. government or issued by private companies that carry high-quality investment-grade ratings.



Each Fund reserves the right to substitute a different index for the index it currently tracks if the current index is discontinued, if the Fund's agreement with the sponsor of its target index is terminated, or for any other reason determined in good faith by the Fund's board of trustees. In any such instance, the substitute index would represent the same market segment as the current index.

Each Fund may invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, a bond, or a currency), a physical asset (such as gold, oil, or wheat), a market index, or a reference rate. Investments in derivatives may subject the Funds to risks different from, and possibly greater than, those of investments directly in the underlying securities or assets. The Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Each Fund may invest a small portion of its assets in fixed income futures, which are a type of derivative, and/or shares of exchange-traded funds (ETFs). These fixed income futures and ETFs typically provide returns similar to those of the bonds listed in the index, or in a subset of the index, the Fund seeks to track. A Fund may purchase futures or ETFs when doing so will reduce the Fund's transaction costs, facilitate cash management, mitigate risk, or have the potential to add value because the instruments are favorably priced. Vanguard receives no additional revenue from Fund assets invested in ETF Shares of other Vanguard funds. Fund assets invested in ETF Shares are excluded when allocating to the Fund its share of the costs of Vanguard operations.

### **Cash Management**

Each Fund's daily cash balance may be invested in Vanguard Market Liquidity Fund and/or Vanguard Municipal Cash Management Fund (each, a CMT Fund), which are low-cost money market funds. When investing in a CMT Fund, each Fund bears its proportionate share of the expenses of the CMT Fund in which it invests. Vanguard receives no additional revenue from Fund assets invested in a CMT Fund.

### **Methods Used to Meet Redemption Requests**

Under normal circumstances, each Fund typically expects to meet redemptions with positive cash flows. When this is not an option, each Fund seeks to maintain its risk exposure by selling a cross section of the Fund's holdings to meet redemptions, while also factoring in transaction costs. Additionally, a Fund may work with larger clients to implement their redemptions in a manner that is least disruptive to the portfolio; see "Potentially disruptive redemptions" under *Redeeming Shares* in the **Investing With Vanguard** section.

Under certain circumstances, including under stressed market conditions, there are additional tools that each Fund may use in order to meet redemptions, including

advancing the settlement of market trades with counterparties to match investor redemption payments or delaying settlement of an investor's transaction to match trade settlement within regulatory requirements. A Fund may also suspend payment of redemption proceeds for up to seven days; see "Emergency circumstances" under *Redeeming Shares* in the **Investing With Vanguard** section. Additionally under these unusual circumstances, a Fund may borrow money (subject to certain regulatory conditions and if available under board-approved procedures) through an interfund lending facility or through a bank line-of-credit, including a joint committed credit facility, in order to meet redemption requests.

### **Temporary Investment Measures**

Each Fund may temporarily depart from its normal investment policies and strategies when the advisor believes that doing so is in the Fund's best interest, so long as the strategy or policy employed is consistent with the Fund's investment objective. For instance, the Fund may invest beyond its normal limits in derivatives or exchange-traded funds that are consistent with the Fund's investment objective when those instruments are more favorably priced or provide needed liquidity, as might be the case when the Fund receives large cash flows that it cannot prudently invest immediately.

### **Frequent Trading or Market-Timing**

**Background.** Some investors try to profit from strategies involving frequent trading of mutual fund shares, such as market-timing. For funds holding foreign securities, investors may try to take advantage of an anticipated difference between the price of the fund's shares and price movements in overseas markets, a practice also known as time-zone arbitrage. Investors also may try to engage in frequent trading of funds holding investments such as small-cap stocks and high-yield bonds. As money is shifted into and out of a fund by a shareholder engaging in frequent trading, the fund incurs costs for buying and selling securities, resulting in increased brokerage and administrative costs. These costs are borne by *all* fund shareholders, including the long-term investors who do not generate the costs. In addition, frequent trading may interfere with an advisor's ability to efficiently manage the fund.

**Policies to address frequent trading.** The Vanguard funds (other than money market funds and short-term bond funds, but including Vanguard Short-Term Inflation-Protected Securities Index Fund) do not knowingly accommodate frequent trading. The board of trustees of each Vanguard fund (other than money market funds and short-term bond funds, but including Vanguard Short-Term Inflation-Protected Securities Index Fund) has adopted policies and procedures reasonably designed to detect and discourage frequent trading and, in some cases, to compensate the fund for the costs associated with it. These policies and procedures do not apply to ETF Shares because frequent trading in ETF Shares generally does not disrupt portfolio management or

otherwise harm fund shareholders. Although there is no assurance that Vanguard will be able to detect or prevent frequent trading or market-timing in all circumstances, the following policies have been adopted to address these issues:

- Each Vanguard fund reserves the right to reject any purchase request—including exchanges from other Vanguard funds—without notice and regardless of size. For example, a purchase request could be rejected because the investor has a history of frequent trading or if Vanguard determines that such purchase may negatively affect a fund's operation or performance.
- Each Vanguard fund (other than money market funds and short-term bond funds, but including Vanguard Short-Term Inflation-Protected Securities Index Fund) generally prohibits, except as otherwise noted in the **Investing With Vanguard** section, an investor's purchases or exchanges into a fund account for 30 calendar days after the investor has redeemed or exchanged out of that fund account.
- Certain Vanguard funds charge shareholders purchase and/or redemption fees on transactions.

See the **Investing With Vanguard** section of this prospectus for further details on Vanguard's transaction policies.

Each Vanguard fund (other than retail and government money market funds), in determining its net asset value, will use fair-value pricing when appropriate, as described in the *Share Price* section. Fair-value pricing may reduce or eliminate the profitability of certain frequent-trading strategies.

**Do not invest with Vanguard if you are a market-timer.**

### **Turnover Rate**

Although the Funds generally seek to invest for the long term, each Fund may sell securities regardless of how long they have been held. Generally, an index fund sells securities in response to redemption requests from shareholders of conventional (not exchange-traded) shares or to changes in the composition of its target index or in an effort to manage the fund's duration. The **Financial Highlights** section of this prospectus shows historical turnover rates for the Funds. A turnover rate of 100%, for example, would mean that a Fund had sold and replaced securities valued at 100% of its net assets within a one-year period. Shorter-term bonds will mature or be sold—and need to be replaced—more frequently than longer-term bonds. As a result, shorter-term bond funds tend to have higher turnover rates than longer-term bond funds.

## Plain Talk About Turnover Rate

Before investing in a mutual fund, you should review its turnover rate. This rate gives an indication of how transaction costs, which are not included in the fund's expense ratio, could affect the fund's future returns. In general, the greater the volume of buying and selling by the fund, the greater the impact that dealer markups and other transaction costs will have on its return. Also, funds with high turnover rates may be more likely to generate capital gains, including short-term capital gains, that must be distributed to shareholders and will be taxable to shareholders investing through a taxable account.

## The Funds and Vanguard

Each Fund is a member of The Vanguard Group, a family of over 200 funds holding assets of approximately \$4.5 trillion. All of the funds that are members of The Vanguard Group (other than funds of funds) share in the expenses associated with administrative services and business operations, such as personnel, office space, and equipment.

Vanguard Marketing Corporation provides marketing services to the funds. Although fund shareholders do not pay sales commissions or 12b-1 distribution fees, each fund (other than a fund of funds) or each share class of a fund (in the case of a fund with multiple share classes) pays its allocated share of the Vanguard funds' marketing costs.

## Plain Talk About Vanguard's Unique Corporate Structure

The Vanguard Group is owned jointly by the funds it oversees and thus indirectly by the shareholders in those funds. Most other mutual funds are operated by management companies that are owned by third parties—either public or private stockholders—and not by the funds they serve.

## Investment Advisor

The Vanguard Group, Inc., P.O. Box 2600, Valley Forge, PA 19482, which began operations in 1975, serves as advisor to the Funds through its Fixed Income Group. As of December 31, 2018, Vanguard served as advisor for approximately \$3.9 trillion in assets. Vanguard provides investment advisory services to the Funds pursuant to the Funds' Service Agreement and subject to the supervision and oversight of the trustees and officers of the Funds.

For the fiscal year ended December 31, 2018, the advisory expenses represented an effective annual rate of less than 0.01% of each Fund's average net assets.

Under the terms of an SEC exemption, the Funds' board of trustees may, without prior approval from shareholders, change the terms of an advisory agreement with a third-party investment advisor or hire a new third-party investment advisor—either as a replacement for an existing advisor or as an additional advisor. Any significant change in a Fund's advisory arrangements will be communicated to shareholders in writing. As the Funds' sponsor and overall manager, Vanguard may provide investment advisory services to a Fund at any time. Vanguard may also recommend to the board of trustees that an advisor be hired, terminated, or replaced or that the terms of an existing advisory agreement be revised. The Funds have filed an application seeking a similar SEC exemption with respect to investment advisors that are wholly owned subsidiaries of Vanguard. If the exemption is granted, the Funds may rely on the new SEC relief.

For a discussion of why the board of trustees approved each Fund's investment advisory arrangement, see the most recent semiannual reports to shareholders covering the fiscal period ended June 30.

The manager primarily responsible for the day-to-day management of the Funds is:

**Joshua C. Barrickman**, CFA, Principal of Vanguard and head of Vanguard's Fixed Income Indexing Americas. He has been with Vanguard since 1998, has worked in investment management since 1999, has managed investment portfolios since 2005, has managed the Intermediate-Term Bond Index Fund since 2008, and has managed the Total Bond Market Index, Short-Term Bond Index, and Long-Term Bond Index Funds since 2013. Education: B.S., Ohio Northern University; M.B.A., Lehigh University.

The Funds' *Statement of Additional Information* provides information about the portfolio manager's compensation, other accounts under management, and ownership of shares of the Funds.

## Dividends, Capital Gains, and Taxes

### Fund Distributions

Each Fund distributes to shareholders virtually all of its net income (interest less expenses) as well as any net short-term or long-term capital gains realized from the sale of its holdings. Income dividends generally are declared daily and distributed monthly; capital gains distributions, if any, generally occur annually in December. In addition, each Fund may occasionally make a supplemental distribution at some other time during the year.

You can receive distributions of income or capital gains in cash, or you can have them automatically reinvested in more shares of the Fund. However, if you are investing through an employer-sponsored retirement or savings plan, your distributions will be automatically reinvested in additional Fund shares.

### Plain Talk About Distributions

As a shareholder, you are entitled to your portion of a fund's income from interest as well as capital gains from the fund's sale of investments. Income consists of interest the fund earns from its money market and bond investments. Capital gains are realized whenever the fund sells securities for higher prices than it paid for them. These capital gains are either short-term or long-term, depending on whether the fund held the securities for one year or less or for more than one year.

### Basic Tax Points

Investors in taxable accounts should be aware of the following basic federal income tax points:

- Distributions are taxable to you whether or not you reinvest these amounts in additional Fund shares.
- Distributions declared in December—if paid to you by the end of January—are taxable as if received in December.
- Any income dividend distribution or short-term capital gains distribution that you receive is taxable to you as ordinary income.
- Any distribution of net long-term capital gains is taxable to you as long-term capital gains, no matter how long you have owned shares in the Fund.
- Capital gains distributions may vary considerably from year to year as a result of the Funds' normal investment activities and cash flows.

- A sale or exchange of Fund shares is a taxable event. This means that you may have a capital gain to report as income, or a capital loss to report as a deduction, when you complete your tax return.
- Any conversion between classes of shares of the *same* fund is a *nontaxable* event. By contrast, an exchange between classes of shares of *different* funds is a *taxable* event.
- Vanguard (or your intermediary) will send you a statement each year showing the tax status of all of your distributions.

Individuals, trusts, and estates whose income exceeds certain threshold amounts are subject to a 3.8% Medicare contribution tax on “net investment income.” Net investment income takes into account distributions paid by the Fund and capital gains from any sale or exchange of Fund shares.

Income dividends and capital gains distributions that you receive, as well as your gains or losses from any sale or exchange of Fund shares, may be subject to state and local income taxes. Depending on your state’s rules, however, any dividends attributable to interest earned on *direct* obligations of the U.S. government may be exempt from state and local taxes. Vanguard will notify you each year how much, if any, of your dividends may qualify for this exemption.

This prospectus provides general tax information only. If you are investing through a tax-advantaged account, such as an IRA or an employer-sponsored retirement or savings plan, special tax rules apply. Please consult your tax advisor for detailed information about any tax consequences for you.

## General Information

**Backup withholding.** By law, Vanguard must withhold 24% of any taxable distributions or redemptions from your account if you do not:

- Provide your correct taxpayer identification number.
- Certify that the taxpayer identification number is correct.
- Confirm that you are not subject to backup withholding.

Similarly, Vanguard (or your intermediary) must withhold taxes from your account if the IRS instructs us to do so.

**Foreign investors.** Vanguard funds offered for sale in the United States (Vanguard U.S. funds), including the Funds offered in this prospectus, are not widely available outside the United States. Non-U.S. investors should be aware that U.S. withholding and estate taxes and certain U.S. tax reporting requirements may apply to any investments in Vanguard U.S. funds. Foreign investors should visit the non-U.S. investors page on our website at [vanguard.com](http://vanguard.com) for information on Vanguard’s non-U.S. products.

**Invalid addresses.** If an income dividend distribution or capital gains distribution check mailed to your address of record is returned as undeliverable, Vanguard will automatically reinvest the distribution and all future distributions until you provide us with a valid mailing address. Reinvestments will receive the net asset value calculated on the date of the reinvestment.

## Share Price

Share price, also known as *net asset value* (NAV), is calculated each business day as of the close of regular trading on the New York Stock Exchange (NYSE), generally 4 p.m., Eastern time. In the rare event the NYSE experiences unanticipated disruptions and is unavailable at the close of the trading day, NAVs will be calculated as of the close of regular trading on the Nasdaq (or another alternate exchange if the Nasdaq is unavailable, as determined at Vanguard's discretion), generally 4 p.m., Eastern time. Each share class has its own NAV, which is computed by dividing the total assets, minus liabilities, allocated to the share class by the number of Fund shares outstanding for that class. On U.S. holidays or other days when the NYSE is closed, the NAV is not calculated, and the Funds do not sell or redeem shares. However, on those days the value of a Fund's assets may be affected to the extent that the Fund holds securities that change in value on those days (such as foreign securities that trade on foreign markets that are open).

Debt securities held by a Vanguard fund are valued based on information furnished by an independent pricing service or market quotations. When a fund determines that pricing-service information or market quotations either are not readily available or do not accurately reflect the value of a security, the security is priced at its *fair value* (the amount that the owner might reasonably expect to receive upon the current sale of the security).

The values of any foreign securities held by a fund are converted into U.S. dollars using an exchange rate obtained from an independent third party as of the close of regular trading on the NYSE. The values of any mutual fund shares, including institutional money market fund shares, held by a fund are based on the NAVs of the shares. The values of any ETF shares or closed-end fund shares held by a fund are based on the market value of the shares.

A fund also may use fair-value pricing on bond market holidays when the fund is open for business (such as Columbus Day and Veterans Day). Fair-value prices are determined by Vanguard according to procedures adopted by the board of trustees. When fair-value pricing is employed, the prices of securities used by a fund to calculate the NAV may differ from quoted or published prices for the same securities.

Vanguard fund share prices are published daily on our website at [vanguard.com/prices](http://vanguard.com/prices).



## Financial Highlights

The following financial highlights tables are intended to help you understand each Fund's financial performance for the periods shown, and certain information reflects financial results for a single Fund share. The Long-Term Bond Index Fund's Admiral Shares did not commence operations until February 7, 2019, and therefore have no financial performance to report. The total returns in each table represent the rate that an investor would have earned or lost each period on an investment in the Fund (assuming reinvestment of all distributions). This information has been obtained from the financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose reports—along with each Fund's financial statements—are included in the Funds' most recent annual reports to shareholders. You may obtain a free copy of the latest annual or semiannual reports by visiting [vanguard.com](http://vanguard.com) or by contacting Vanguard by telephone or mail.

### Total Bond Market Index Fund Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$10.75</b>	<b>\$10.65</b>	<b>\$10.64</b>	<b>\$10.87</b>	<b>\$10.56</b>
<b>Investment Operations</b>					
Net Investment Income	.279 <sup>1</sup>	.260 <sup>1</sup>	.254	.253	.264
Net Realized and Unrealized Gain (Loss) on Investments	(.296)	.105	.015	(.219)	.339
Total from Investment Operations	(.017)	.365	.269	.034	.603
<b>Distributions</b>					
Dividends from Net Investment Income	(.280)	(.260)	(.254)	(.254)	(.264)
Distributions from Realized Capital Gains	(.003)	(.005)	(.005)	(.010)	(.029)
Total Distributions	(.283)	(.265)	(.259)	(.264)	(.293)
<b>Net Asset Value, End of Period</b>	<b>\$10.45</b>	<b>\$10.75</b>	<b>\$10.65</b>	<b>\$10.64</b>	<b>\$10.87</b>
<b>Total Return<sup>2</sup></b>	<b>-0.13%</b>	<b>3.45%</b>	<b>2.50%</b>	<b>0.30%</b>	<b>5.76%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$4,250	\$5,166	\$5,969	\$6,434	\$7,076
Ratio of Total Expenses to Average Net Assets	0.15%	0.15%	0.15%	0.16%	0.20%
Ratio of Net Investment Income to Average Net Assets	2.68%	2.42%	2.30%	2.34%	2.44%
Portfolio Turnover Rate <sup>3,4</sup>	54%	55%	61%	84%	72%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

4 Includes 13%, 15%, 23%, 45%, and 38% attributable to mortgage-dollar-roll activity.

## Total Bond Market Index Fund Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$10.75</b>	<b>\$10.65</b>	<b>\$10.64</b>	<b>\$10.87</b>	<b>\$10.56</b>
<b>Investment Operations</b>					
Net Investment Income	.290 <sup>1</sup>	.271 <sup>1</sup>	.265	.263	.278
Net Realized and Unrealized Gain (Loss) on Investments	(.297)	.105	.015	(.219)	.339
Total from Investment Operations	(.007)	.376	.280	.044	.617
<b>Distributions</b>					
Dividends from Net Investment Income	(.290)	(.271)	(.265)	(.264)	(.278)
Distributions from Realized Capital Gains	(.003)	(.005)	(.005)	(.010)	(.029)
Total Distributions	(.293)	(.276)	(.270)	(.274)	(.307)
<b>Net Asset Value, End of Period</b>	<b>\$10.45</b>	<b>\$10.75</b>	<b>\$10.65</b>	<b>\$10.64</b>	<b>\$10.87</b>
<b>Total Return<sup>2</sup></b>	<b>-0.03%</b>	<b>3.56%</b>	<b>2.60%</b>	<b>0.40%</b>	<b>5.89%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$88,281	\$82,839	\$72,592	\$60,783	\$54,198
Ratio of Total Expenses to Average Net Assets	0.05%	0.05%	0.05%	0.06%	0.07%
Ratio of Net Investment Income to Average Net Assets	2.78%	2.52%	2.40%	2.44%	2.57%
Portfolio Turnover Rate <sup>3,4</sup>	54%	55%	61%	84%	72%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

4 Includes 13%, 15%, 23%, 45%, and 38% attributable to mortgage-dollar-roll activity.

## Short-Term Bond Index Fund Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$10.38</b>	<b>\$10.43</b>	<b>\$10.43</b>	<b>\$10.48</b>	<b>\$10.49</b>
<b>Investment Operations</b>					
Net Investment Income	.198 <sup>1</sup>	.164 <sup>1</sup>	.146	.130	.116
Net Realized and Unrealized Gain (Loss) on Investments	(.069)	(.050)	.002	(.040)	.005
Total from Investment Operations	.129	.114	.148	.090	.121
<b>Distributions</b>					
Dividends from Net Investment Income	(.199)	(.164)	(.146)	(.130)	(.116)
Distributions from Realized Capital Gains	—	(.000) <sup>2</sup>	(.002)	(.010)	(.015)
Total Distributions	(.199)	(.164)	(.148)	(.140)	(.131)
<b>Net Asset Value, End of Period</b>	<b>\$10.31</b>	<b>\$10.38</b>	<b>\$10.43</b>	<b>\$10.43</b>	<b>\$10.48</b>
<b>Total Return<sup>3</sup></b>	<b>1.27%</b>	<b>1.10%</b>	<b>1.41%</b>	<b>0.85%</b>	<b>1.16%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$1,143	\$1,545	\$1,865	\$2,307	\$2,667
Ratio of Total Expenses to Average Net Assets	0.15%	0.15%	0.15%	0.16%	0.20%
Ratio of Net Investment Income to Average Net Assets	1.94%	1.57%	1.38%	1.23%	1.10%
Portfolio Turnover Rate <sup>4</sup>	48%	50%	51%	52%	45%

1 Calculated based on average shares outstanding.

2 Distribution was less than \$0.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown.

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

## Short-Term Bond Index Fund Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$10.38</b>	<b>\$10.43</b>	<b>\$10.43</b>	<b>\$10.48</b>	<b>\$10.49</b>
<b>Investment Operations</b>					
Net Investment Income	.207 <sup>1</sup>	.172 <sup>1</sup>	.154	.137	.126
Net Realized and Unrealized Gain (Loss) on Investments	(.070)	(.050)	.002	(.040)	.005
Total from Investment Operations	.137	.122	.156	.097	.131
<b>Distributions</b>					
Dividends from Net Investment Income	(.207)	(.172)	(.154)	(.137)	(.126)
Distributions from Realized Capital Gains	—	(.000) <sup>2</sup>	(.002)	(.010)	(.015)
Total Distributions	(.207)	(.172)	(.156)	(.147)	(.141)
<b>Net Asset Value, End of Period</b>	<b>\$10.31</b>	<b>\$10.38</b>	<b>\$10.43</b>	<b>\$10.43</b>	<b>\$10.48</b>
<b>Total Return<sup>3</sup></b>	<b>1.35%</b>	<b>1.18%</b>	<b>1.49%</b>	<b>0.92%</b>	<b>1.26%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$13,812	\$16,034	\$15,335	\$14,662	\$13,212
Ratio of Total Expenses to Average Net Assets	0.07%	0.07%	0.07%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.02%	1.65%	1.46%	1.30%	1.20%
Portfolio Turnover Rate <sup>4</sup>	48%	50%	51%	52%	45%

1 Calculated based on average shares outstanding.

2 Distribution was less than \$0.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown.

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

## Intermediate-Term Bond Index Fund Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$11.36</b>	<b>\$11.24</b>	<b>\$11.26</b>	<b>\$11.46</b>	<b>\$11.09</b>
<b>Investment Operations</b>					
Net Investment Income	.306 <sup>1</sup>	.289 <sup>1</sup>	.289	.302	.316
Net Realized and Unrealized Gain (Loss) on Investments	(.340)	.132	.025	(.162)	.437
Total from Investment Operations	(.034)	.421	.314	.140	.753
<b>Distributions</b>					
Dividends from Net Investment Income	(.306)	(.290)	(.289)	(.302)	(.316)
Distributions from Realized Capital Gains	—	(.011)	(.045)	(.038)	(.067)
Total Distributions	(.306)	(.301)	(.334)	(.340)	(.383)
<b>Net Asset Value, End of Period</b>	<b>\$11.02</b>	<b>\$11.36</b>	<b>\$11.24</b>	<b>\$11.26</b>	<b>\$11.46</b>
<b>Total Return<sup>2</sup></b>	<b>-0.25%</b>	<b>3.76%</b>	<b>2.75%</b>	<b>1.21%</b>	<b>6.85%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$1,037	\$1,307	\$1,472	\$1,397	\$1,551
Ratio of Total Expenses to Average Net Assets	0.15%	0.15%	0.15%	0.16%	0.20%
Ratio of Net Investment Income to Average Net Assets	2.79%	2.54%	2.48%	2.62%	2.76%
Portfolio Turnover Rate <sup>3</sup>	53%	55%	57%	51%	60%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

## Intermediate-Term Bond Index Fund Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$11.36</b>	<b>\$11.24</b>	<b>\$11.26</b>	<b>\$11.46</b>	<b>\$11.09</b>
<b>Investment Operations</b>					
Net Investment Income	.315 <sup>1</sup>	.298 <sup>1</sup>	.299	.309	.327
Net Realized and Unrealized Gain (Loss) on Investments	(.341)	.132	.025	(.162)	.437
Total from Investment Operations	(.026)	.430	.324	.147	.764
<b>Distributions</b>					
Dividends from Net Investment Income	(.314)	(.299)	(.299)	(.309)	(.327)
Distributions from Realized Capital Gains	—	(.011)	(.045)	(.038)	(.067)
Total Distributions	(.314)	(.310)	(.344)	(.347)	(.394)
<b>Net Asset Value, End of Period</b>	<b>\$11.02</b>	<b>\$11.36</b>	<b>\$11.24</b>	<b>\$11.26</b>	<b>\$11.46</b>
<b>Total Return<sup>2</sup></b>	<b>-0.17%</b>	<b>3.85%</b>	<b>2.83%</b>	<b>1.27%</b>	<b>6.96%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$12,830	\$13,477	\$11,954	\$10,061	\$8,922
Ratio of Total Expenses to Average Net Assets	0.07%	0.07%	0.07%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.87%	2.62%	2.56%	2.69%	2.86%
Portfolio Turnover Rate <sup>3</sup>	53%	55%	57%	51%	60%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

## Long-Term Bond Index Fund Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$14.42</b>	<b>\$13.51</b>	<b>\$13.20</b>	<b>\$14.26</b>	<b>\$12.41</b>
<b>Investment Operations</b>					
Net Investment Income	.515 <sup>1</sup>	.519 <sup>1</sup>	.529	.546	.556
Net Realized and Unrealized Gain (Loss) on Investments	(1.168)	.910	.333	(1.025)	1.853
Total from Investment Operations	(.653)	1.429	.862	(.479)	2.409
<b>Distributions</b>					
Dividends from Net Investment Income	(.515)	(.519)	(.529)	(.546)	(.556)
Distributions from Realized Capital Gains	(.022)	—	(.023)	(.035)	(.003)
Total Distributions	(.537)	(.519)	(.552)	(.581)	(.559)
<b>Net Asset Value, End of Period</b>	<b>\$13.23</b>	<b>\$14.42</b>	<b>\$13.51</b>	<b>\$13.20</b>	<b>\$14.26</b>
<b>Total Return<sup>2</sup></b>	<b>-4.51%</b>	<b>10.76%</b>	<b>6.41%</b>	<b>-3.47%</b>	<b>19.72%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$2,808	\$3,047	\$2,595	\$2,415	\$2,594
Ratio of Total Expenses to Average Net Assets	0.15%	0.15%	0.15%	0.16%	0.20%
Ratio of Net Investment Income to Average Net Assets	3.85%	3.71%	3.72%	3.95%	4.10%
Portfolio Turnover Rate <sup>3</sup>	38%	41%	45%	42%	39%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the Fund's capital shares, including ETF Creation Units.

# Investing With Vanguard

This section of the prospectus explains the basics of doing business with Vanguard. Vanguard fund shares can be held directly with Vanguard or indirectly through an intermediary, such as a bank, a broker, or an investment advisor. If you hold Vanguard fund shares directly with Vanguard, you should carefully read each topic within this section that pertains to your relationship with Vanguard. If you hold Vanguard fund shares indirectly through an intermediary (including shares held in a brokerage account through Vanguard Brokerage Services<sup>®</sup>), please see *Investing With Vanguard Through Other Firms*, and also refer to your account agreement with the intermediary for information about transacting in that account. If you hold Vanguard fund shares through an employer-sponsored retirement or savings plan, please see *Employer-Sponsored Plans*. Vanguard reserves the right to change the following policies without notice. Please call or check online for current information. See *Contacting Vanguard*.

For Vanguard fund shares held directly with Vanguard, each fund you hold in an account is a separate “fund account.” For example, if you hold three funds in a nonretirement account titled in your own name, two funds in a nonretirement account titled jointly with your spouse, and one fund in an individual retirement account, you have six fund accounts—and this is true even if you hold the same fund in multiple accounts. Note that each reference to “you” in this prospectus applies to any one or more registered account owners or persons authorized to transact on your account.

## Purchasing Shares

Vanguard reserves the right, without notice, to increase or decrease the minimum amount required to open, convert shares to, or maintain a fund account or to add to an existing fund account.

Investment minimums may differ for certain categories of investors.

### **Account Minimums for Investor Shares**

**To open and maintain an account.** \$3,000.

**To add to an existing account.** Generally \$1.

### **Account Minimums for Admiral Shares**

**To open and maintain an account.** \$3,000. Financial intermediaries, institutional clients, and Vanguard-advised clients should contact Vanguard for information on special eligibility rules that may apply to them regarding Admiral Shares. If you are investing through an intermediary, please contact that firm directly for more information regarding your eligibility.

**To add to an existing account.** Generally \$1.



## How to Initiate a Purchase Request

Be sure to check *Exchanging Shares*, *Frequent-Trading Limitations*, and *Other Rules You Should Know* before placing your purchase request.

**Online.** You may open certain types of accounts, request a purchase of shares, and request an exchange through our website or our mobile application if you are registered for online access.

**By telephone.** You may call Vanguard to begin the account registration process or request that the account-opening forms be sent to you. You may also call Vanguard to request a purchase of shares in your account or to request an exchange. See *Contacting Vanguard*.

**By mail.** You may send Vanguard your account registration form and check to open a new fund account. To add to an existing fund account, you may send your check with an Invest-by-Mail form (from a transaction confirmation or your account statement) or with a deposit slip (available online). For a list of Vanguard addresses, see *Contacting Vanguard*.

## Transaction Fees on Purchases

Each Fund reserves the right to charge the following transaction fees to investors whose aggregate share purchases into the Fund equal or exceed the following amounts:

<u>Vanguard Fund</u>	<u>Transaction Fee</u>	<u>Aggregate Purchases</u>
Total Bond Market Index Fund	0.25%	Over \$500 million
Short-Term Bond Index Fund	0.15	Over \$200 million
Intermediate-Term Bond Index Fund	0.25	Over \$100 million
Long-Term Bond Index Fund	0.50	Over \$100 million

Each Fund may impose these transaction fees if an investor's aggregate purchases into a Fund over a 12-month period exceed, or are expected to exceed, the indicated amounts upon notice to the client in conjunction with a purchase that triggers application of the fees. The fees will be assessed only if the client elects to proceed with the purchase. Generally, these fees will not apply to transactions coordinated in advance between a client and Vanguard.

## How to Pay for a Purchase

**By electronic bank transfer.** You may purchase shares of a Vanguard fund through an electronic transfer of money from a bank account. To establish the electronic bank transfer service on an account, you must designate the bank account online, complete a form, or fill out the appropriate section of your account registration form. After the service is set up on your account, you can purchase shares by electronic bank transfer on a regular schedule (Automatic Investment Plan) or upon request. Your purchase request can be initiated online (if you are registered for online access), by telephone, or by mail.

**By wire.** Wiring instructions vary for different types of purchases. Please call Vanguard for instructions and policies on purchasing shares by wire. See *Contacting Vanguard*.

**By check.** You may make initial or additional purchases to your fund account by sending a check with a deposit slip or by utilizing our mobile application if you are registered for online access. Also see *How to Initiate a Purchase Request*. Make your check payable to Vanguard and include the appropriate fund number (e.g., Vanguard—xx). For a list of Fund numbers (for Funds and share classes in this prospectus), see *Additional Information*.

**By exchange.** You may purchase shares of a Vanguard fund using the proceeds from the simultaneous redemption of shares of another Vanguard fund. You may initiate an exchange online (if you are registered for online access), by telephone, or by mail with an exchange form. See *Exchanging Shares*.

## Trade Date

The trade date for any purchase request received in good order will depend on the day and time Vanguard receives your request, the manner in which you are paying, and the type of fund you are purchasing. Your purchase will be executed using the NAV as calculated on the trade date. NAVs are calculated only on days that the NYSE is open for trading (a business day).

For purchases by **check** into all funds other than money market funds and for purchases by **exchange, wire, or electronic bank transfer** (not using an Automatic Investment Plan) into all funds: If the purchase request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date for the purchase will be the same day. If the purchase request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date for the purchase will be the next business day.

For purchases by **check** into money market funds: If the purchase request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date for the purchase will be the next business day. If the purchase request is received on a business day after the close of

regular trading on the NYSE, or on a nonbusiness day, the trade date for the purchase will be the second business day following the day Vanguard receives the purchase request. Because money market instruments must be purchased with federal funds and it takes a money market mutual fund one business day to convert check proceeds into federal funds, the trade date for the purchase will be one business day later than for other funds.

For purchases by electronic bank transfer using an **Automatic Investment Plan**: Your trade date generally will be the date you selected for withdrawal of funds from your designated bank account. Your bank account generally will be debited on the business day after your trade date. If the date you selected for withdrawal of funds from your bank account falls on a weekend, holiday, or other nonbusiness day, your trade date generally will be the previous business day. For retirement accounts, if the date you selected for withdrawal of funds from your designated bank account falls on the last business day of the year, your trade date will be the first business day of the following year. Please note that if you select the first of the month for automated withdrawals from your designated bank account, trades designated for January 1 will receive the next business day's trade date.

If your purchase request is not accurate and complete, it may be rejected. See *Other Rules You Should Know—Good Order*.

For further information about purchase transactions, consult our website at [vanguard.com](http://vanguard.com) or see *Contacting Vanguard*.

## Earning Dividends

You generally begin earning dividends on the business day following your trade date. When buying money market fund shares through a federal funds wire on a business day, however, you generally can begin earning dividends immediately by making a purchase request by telephone to Vanguard before 10:45 a.m., Eastern time (2 p.m., Eastern time, for Vanguard Prime Money Market Fund; 12:30 p.m., Eastern time, for Vanguard Federal Money Market Fund).

## Other Purchase Rules You Should Know

**Admiral Shares.** Admiral Shares generally are *not* available for SIMPLE IRAs and Vanguard Individual 401(k) Plans.

**Check purchases.** All purchase checks must be written in U.S. dollars, be drawn on a U.S. bank, and be accompanied by good order instructions. Vanguard does not accept cash, traveler's checks, starter checks, or money orders. In addition, Vanguard may refuse checks that are not made payable to Vanguard.

**New accounts.** We are required by law to obtain from you certain personal information that we will use to verify your identity. If you do not provide the information, we may not be able to open your account. If we are unable to verify your identity, Vanguard reserves the right, without notice, to close your account or take such other steps as we deem reasonable. Certain types of accounts may require additional documentation.

**Refused or rejected purchase requests.** Vanguard reserves the right to stop selling fund shares or to reject any purchase request at any time and without notice, including, but not limited to, purchases requested by exchange from another Vanguard fund. This also includes the right to reject any purchase request because the investor has a history of frequent trading or because the purchase may negatively affect a fund's operation or performance.

**Large purchases.** Call Vanguard before attempting to invest a large dollar amount.

**No cancellations.** Vanguard will not accept your request to cancel any purchase request once processing has begun. Please be careful when placing a purchase request.

## Converting Shares

When a conversion occurs, you receive shares of one class in place of shares of another class of the same fund. At the time of conversion, the dollar value of the "new" shares you receive equals the dollar value of the "old" shares that were converted. In other words, the conversion has no effect on the value of your investment in the fund at the time of the conversion. However, the number of shares you own after the conversion may be greater than or less than the number of shares you owned before the conversion, depending on the NAVs of the two share classes.

Vanguard will not accept your request to cancel any self-directed conversion request once processing has begun. Please be careful when placing a conversion request.

A conversion between share classes of the same fund is a *nontaxable* event.

## Trade Date

The trade date for any conversion request received in good order will depend on the day and time Vanguard receives your request. Your conversion will be executed using the NAVs of the different share classes on the trade date. NAVs are calculated only on days that the NYSE is open for trading (a business day).

For a conversion request received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date will be the same day. For a conversion request received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date will be the next business day. See *Other Rules You Should Know*.

## **Conversions From Investor Shares to Admiral Shares**

**Self-directed conversions.** You may ask Vanguard to convert your Investor Shares to Admiral Shares at any time. You may request a conversion through our website (if you are registered for online access), by telephone, or by mail. Financial intermediaries, institutional clients, and Vanguard-advised clients should contact Vanguard for information on special eligibility rules that may apply to them regarding Admiral Shares. See *Contacting Vanguard*. If you are investing through an intermediary, please contact that firm directly for more information regarding your eligibility.

## **Conversions to Institutional Shares or Institutional Plus Shares**

You are eligible for a self-directed conversion from another share class to Institutional Shares or Institutional Plus Shares of the same Fund, provided that your account meets all eligibility requirements. You may request a conversion through our website (if you are registered for online access), or you may contact Vanguard by telephone or by mail to request this transaction. Accounts that qualify for Institutional Shares or Institutional Plus Shares will not be automatically converted.

## **Conversions to Institutional Select Shares**

You are eligible for a self-directed conversion from another share class to Institutional Select Shares of the same Fund (if available), provided that your account meets all eligibility requirements. You may request a conversion through our website (if you are registered for online access), through a trading platform, by mail, or by telephone. Accounts that qualify for Institutional Select Shares will not be automatically converted.

## **Mandatory Conversions to Another Share Class**

If an account no longer meets the balance requirements for a share class, Vanguard may automatically convert the shares in the account to another share class, as appropriate. A decline in the account balance because of market movement may result in such a conversion. Vanguard will notify the investor in writing before any mandatory conversion occurs.

## **Redeeming Shares**

### **How to Initiate a Redemption Request**

Be sure to check *Exchanging Shares*, *Frequent-Trading Limitations*, and *Other Rules You Should Know* before placing your redemption request.

**Online.** You may request a redemption of shares or request an exchange through our website or our mobile application if you are registered for online access.

**By telephone.** You may call Vanguard to request a redemption of shares or an exchange. See *Contacting Vanguard*.

**By mail.** You may send a form (available online) to Vanguard to redeem from a fund account or to make an exchange. See *Contacting Vanguard*.

**By writing a check.** If you have established the checkwriting service on your account, you can redeem shares by writing a check for \$250 or more.

### **How to Receive Redemption Proceeds**

**By electronic bank transfer.** You may have the proceeds of a fund redemption sent directly to a designated bank account. To establish the electronic bank transfer service on an account, you must designate a bank account online, complete a form, or fill out the appropriate section of your account registration form. After the service is set up on your account, you can redeem shares by electronic bank transfer on a regular schedule (Automatic Withdrawal Plan) or upon request. Your redemption request can be initiated online (if you are registered for online access), by telephone, or by mail.

**By wire.** To receive your proceeds by wire, you may instruct Vanguard to wire your redemption proceeds (\$100 minimum) to a previously designated bank account. To establish the wire redemption service, you generally must designate a bank account online, complete a form, or fill out the appropriate section of your account registration form.

Please note that Vanguard charges a \$10 wire fee for outgoing wire redemptions. The fee is assessed in addition to, rather than being withheld from, redemption proceeds and is paid directly to the fund in which you invest. For example, if you redeem \$100 via a wire, you will receive the full \$100, and the \$10 fee will be assessed to your fund account with an additional redemption of fund shares. If you redeem your entire fund account, your redemption proceeds will be reduced by the amount of the fee. The wire fee does not apply to accounts held by Flagship and Flagship Select clients; accounts held through intermediaries, including Vanguard Brokerage Services; or accounts held by institutional clients.

**By exchange.** You may have the proceeds of a Vanguard fund redemption invested directly in shares of another Vanguard fund. You may initiate an exchange online (if you are registered for online access), by telephone, or by mail. See *Exchanging Shares*.

**By check.** If you have not chosen another redemption method, Vanguard will mail you a redemption check, generally payable to all registered account owners, normally within two business days of your trade date, and generally to the address of record.

## Trade Date

The trade date for any redemption request received in good order will depend on the day and time Vanguard receives your request and the manner in which you are redeeming. Your redemption will be executed using the NAV as calculated on the trade date. NAVs are calculated only on days that the NYSE is open for trading (a business day).

For redemptions by **check**, **exchange**, or **wire**: If the redemption request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date will be the same day. If the redemption request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date will be the next business day.

- Note on timing of wire redemptions from money market funds: For telephone requests received by Vanguard on a business day before 10:45 a.m., Eastern time (2 p.m., Eastern time, for Vanguard Prime Money Market Fund; 12:30 p.m., Eastern time, for Vanguard Federal Money Market Fund), the redemption proceeds generally will leave Vanguard by the close of business the same day. For telephone requests received by Vanguard on a business day after those cut-off times, or on a nonbusiness day, and for all requests other than by telephone, the redemption proceeds generally will leave Vanguard by the close of business on the next business day.
- Note on timing of wire redemptions from all other funds: For requests received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the redemption proceeds generally will leave Vanguard by the close of business on the next business day. For requests received by Vanguard on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the redemption proceeds generally will leave Vanguard by the close of business on the second business day after Vanguard receives the request.

For redemptions by electronic bank transfer using an **Automatic Withdrawal Plan**: Your trade date generally will be the date you selected for withdrawal of funds (redemption of shares) from your Vanguard account. Proceeds of redeemed shares generally will be credited to your designated bank account two business days after your trade date. If the date you selected for withdrawal of funds from your Vanguard account falls on a weekend, holiday, or other nonbusiness day, your trade date generally will be the previous business day. For retirement accounts, if the date you selected for withdrawal of funds from your Vanguard account falls on the last day of the year and if that date is a holiday, your trade date will be the first business day of the following year. Please note that if you designate the first of the month for automated withdrawals, trades designated for January 1 will receive the next business day's trade date.

For redemptions by **electronic bank transfer** not using an Automatic Withdrawal Plan: If the redemption request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date will be the same day. If the redemption request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date will be the next business day.

If your redemption request is not accurate and complete, it may be rejected. If we are unable to send your redemption proceeds by wire or electronic bank transfer because the receiving institution rejects the transfer, Vanguard will make additional efforts to complete your transaction. If Vanguard is still unable to complete the transaction, we may send the proceeds of the redemption to you by check, generally payable to all registered account owners, or use your proceeds to purchase new shares of the fund from which you sold shares for the purpose of the wire or electronic bank transfer transaction. See *Other Rules You Should Know—Good Order*.

If your redemption request is received in good order, we typically expect that redemption proceeds will be paid by a Fund within one business day of the trade date; however, in certain circumstances, investors may experience a longer settlement period at the time of the transaction. For further information, see “Potentially disruptive redemptions” and “Emergency circumstances.”

For further information about redemption transactions, consult our website at [vanguard.com](http://vanguard.com) or see *Contacting Vanguard*.

## Earning Dividends

You generally will continue earning dividends until the first business day following your trade date. Generally, there are two exceptions to this rule: (1) If you redeem shares by writing a check against your account, the shares will stop earning dividends on the day that your check posts to your account; and (2) For money market funds, if you redeem shares with a same-day wire request before 10:45 a.m., Eastern time, on a business day (2 p.m., Eastern time, for Vanguard Prime Money Market Fund; 12:30 p.m., Eastern time, for Vanguard Federal Money Market Fund), the shares will stop earning dividends that same day.

## Other Redemption Rules You Should Know

**Documentation for certain accounts.** Special documentation may be required to redeem from certain types of accounts, such as trust, corporate, nonprofit, or retirement accounts. Please call us *before* attempting to redeem from these types of accounts.



**Potentially disruptive redemptions.** Vanguard reserves the right to pay all or part of a redemption in kind—that is, in the form of securities—if we reasonably believe that a cash redemption would negatively affect the fund’s operation or performance or that the shareholder may be engaged in market-timing or frequent trading. Under these circumstances, Vanguard also reserves the right to delay payment of the redemption proceeds for up to seven calendar days. By calling us *before* you attempt to redeem a large dollar amount, you may avoid in-kind or delayed payment of your redemption. Please see *Frequent-Trading Limitations* for information about Vanguard’s policies to limit frequent trading.

**Recently purchased shares.** Although you can redeem shares at any time, proceeds may not be made available to you until the fund collects payment for your purchase. This may take up to seven calendar days for shares purchased by check or by electronic bank transfer. If you have written a check on a fund with checkwriting privileges, that check may be rejected if your fund account does not have a sufficient available balance.

**Share certificates.** Share certificates are no longer issued for Vanguard funds. Shares currently held in certificates cannot be redeemed, exchanged, converted, or transferred (reregistered) until you return the certificates (unsigned) to Vanguard by registered mail. For the correct address, see *Contacting Vanguard*.

**Address change.** If you change your address online or by telephone, there may be up to a 15-day restriction on your ability to request check redemptions online and by telephone. You can request a redemption in writing (using a form available online) at any time. Confirmations of address changes are sent to both the old and new addresses.

**Payment to a different person or address.** At your request, we can make your redemption check payable, or wire your redemption proceeds, to a different person or send it to a different address. However, this generally requires the written consent of all registered account owners and may require additional documentation, such as a signature guarantee or a notarized signature. You may obtain a signature guarantee from some commercial or savings banks, credit unions, trust companies, or member firms of a U.S. stock exchange.

**No cancellations.** Vanguard will not accept your request to cancel any redemption request once processing has begun. Please be careful when placing a redemption request.

**Emergency circumstances.** Vanguard funds can postpone payment of redemption proceeds for up to seven calendar days. In addition, Vanguard funds can suspend redemptions and/or postpone payments of redemption proceeds beyond seven calendar days at times when the NYSE is closed or during emergency circumstances, as determined by the SEC.

## Exchanging Shares

An exchange occurs when you use the proceeds from the redemption of shares of one Vanguard fund to simultaneously purchase shares of a different Vanguard fund. You can make exchange requests online (if you are registered for online access), by telephone, or by mail. See *Purchasing Shares* and *Redeeming Shares*.

If the NYSE is open for regular trading (generally until 4 p.m., Eastern time, on a business day) at the time an exchange request is received in good order, the trade date generally will be the same day. See *Other Rules You Should Know—Good Order* for additional information on all transaction requests.

Vanguard will not accept your request to cancel any exchange request once processing has begun. Please be careful when placing an exchange request.

Call Vanguard before attempting to exchange a large dollar amount. By calling us *before* you attempt to exchange a large dollar amount, you may avoid delayed or rejected transactions.

Please note that Vanguard reserves the right, without notice, to revise or terminate the exchange privilege, limit the amount of any exchange, or reject an exchange, at any time, for any reason. See *Frequent-Trading Limitations* for additional restrictions on exchanges.

## Frequent-Trading Limitations

Because excessive transactions can disrupt management of a fund and increase the fund's costs for all shareholders, the board of trustees of each Vanguard fund places certain limits on frequent trading in the funds. Each Vanguard fund (other than money market funds and short-term bond funds, but including Vanguard Short-Term Inflation-Protected Securities Index Fund) limits an investor's purchases or exchanges into a fund account for 30 calendar days after the investor has redeemed or exchanged out of that fund account. ETF Shares are not subject to these frequent-trading limits.

For Vanguard Retirement Investment Program pooled plans, the limitations apply to exchanges made online or by telephone.

These frequent-trading limitations *do not* apply to the following:

- Purchases of shares with reinvested dividend or capital gains distributions.
- Transactions through Vanguard's Automatic Investment Plan, Automatic Exchange Service, Direct Deposit Service, Automatic Withdrawal Plan, Required Minimum Distribution Service, and Vanguard Small Business Online®.
- Discretionary transactions through Vanguard Personal Advisor Services® and Vanguard Institutional Advisory Services®.

- Redemptions of shares to pay fund or account fees.
- Redemptions of shares to remove excess shareholder contributions to certain types of retirement accounts (including, but not limited to, IRAs, certain Individual 403(b)(7) Custodial Accounts, and Vanguard Individual 401(k) Plans).
- Transfers and reregistrations of shares within the same fund.
- Purchases of shares by asset transfer or direct rollover.
- Conversions of shares from one share class to another in the same fund.
- Checkwriting redemptions.
- Section 529 college savings plans.
- Certain approved institutional portfolios and asset allocation programs, as well as trades made by funds or trusts managed by Vanguard or its affiliates that invest in other Vanguard funds. (Please note that *shareholders* of Vanguard's funds of funds *are* subject to the limitations.)

For participants in employer-sponsored defined contribution plans,\* the frequent-trading limitations *do not* apply to:

- Purchases of shares with participant payroll or employer contributions or loan repayments.
- Purchases of shares with reinvested dividend or capital gains distributions.
- Distributions, loans, and in-service withdrawals from a plan.
- Redemptions of shares as part of a plan termination or at the direction of the plan.
- Transactions executed through the Vanguard Managed Account Program.
- Redemptions of shares to pay fund or account fees.
- Share or asset transfers or rollovers.
- Reregistrations of shares.
- Conversions of shares from one share class to another in the same fund.
- Exchange requests submitted by written request to Vanguard. (Exchange requests submitted by fax, if otherwise permitted, *are* subject to the limitations.)

\* The following Vanguard fund accounts are subject to the frequent-trading limitations: SEP-IRAs, SIMPLE IRAs, certain Individual 403(b)(7) Custodial Accounts, and Vanguard Individual 401(k) Plans.

### **Accounts Held by Institutions (Other Than Defined Contribution Plans)**

Vanguard will systematically monitor for frequent trading in institutional clients' accounts. If we detect suspicious trading activity, we will investigate and take appropriate action, which may include applying to a client's accounts the 30-day policy

previously described, prohibiting a client's purchases of fund shares, and/or revoking the client's exchange privilege.

### **Accounts Held by Intermediaries**

When intermediaries establish accounts in Vanguard funds for the benefit of their clients, we cannot always monitor the trading activity of the individual clients. However, we review trading activity at the intermediary (omnibus) level, and if we detect suspicious activity, we will investigate and take appropriate action. If necessary, Vanguard may prohibit additional purchases of fund shares by an intermediary, including for the benefit of certain of the intermediary's clients. Intermediaries also may monitor their clients' trading activities with respect to Vanguard funds.

For those Vanguard funds that charge purchase and/or redemption fees, intermediaries will be asked to assess these fees on client accounts and remit these fees to the funds. The application of purchase and redemption fees and frequent-trading limitations may vary among intermediaries. There are no assurances that Vanguard will successfully identify all intermediaries or that intermediaries will properly assess purchase and redemption fees or administer frequent-trading limitations. If you invest with Vanguard through an intermediary, please read that firm's materials carefully to learn of any other rules or fees that may apply.

### **Other Rules You Should Know**

#### **Prospectus and Shareholder Report Mailings**

When two or more shareholders have the same last name and address, just one summary prospectus (or prospectus) and/or shareholder report may be sent in an attempt to eliminate the unnecessary expense of duplicate mailings. You may request individual prospectuses and reports by contacting our Client Services Department in writing, by telephone, or online. See *Contacting Vanguard*.

#### **Vanguard.com**

**Registration.** If you are a registered user of *vanguard.com*, you can review your account holdings; buy, sell, or exchange shares of most Vanguard funds; and perform most other transactions through our website. You must register for this service online.

**Electronic delivery.** Vanguard can deliver your account statements, transaction confirmations, prospectuses, certain tax forms, and shareholder reports electronically. If you are a registered user of *vanguard.com*, you can consent to the electronic delivery of these documents by logging on and changing your mailing preferences under "Account Maintenance." You can revoke your electronic consent at any time

through our website, and we will begin to send paper copies of these documents within 30 days of receiving your revocation.

### **Telephone Transactions**

**Automatic.** When we set up your account, we will automatically enable you to do business with us by telephone, *unless you instruct us otherwise in writing.*

**Tele-Account®.** To obtain fund and account information through Vanguard's automated telephone service, you must first establish a Personal Identification Number (PIN) by calling Tele-Account at 800-662-6273.

**Proof of a caller's authority.** We reserve the right to refuse a telephone request if the caller is unable to provide the requested information or if we reasonably believe that the caller is not an individual authorized to act on the account. Before we allow a caller to act on an account, we may request the following information:

- Authorization to act on the account (as the account owner or by legal documentation or other means).
- Account registration and address.
- Fund name and account number, if applicable.
- Other information relating to the caller, the account owner, or the account.

### **Good Order**

We reserve the right to reject any transaction instructions that are not in "good order." Good order generally means that your instructions:

- Are provided by the person(s) authorized in accordance with Vanguard's policies and procedures to access the account and request transactions.
- Include the fund name and account number.
- Include the amount of the transaction (stated in dollars, shares, or percentage).

Written instructions also must generally be provided on a Vanguard form and include:

- Signature(s) and date from the authorized person(s).
- Signature guarantees or notarized signatures, if required for the type of transaction. (Call Vanguard for specific requirements.)
- Any supporting documentation that may be required.

Good order requirements may vary among types of accounts and transactions. For more information, consult our website at [vanguard.com](http://vanguard.com) or see *Contacting Vanguard*.

Vanguard reserves the right, without notice, to revise the requirements for good order.

### **Future Trade-Date Requests**

Vanguard does not accept requests to hold a purchase, conversion, redemption, or exchange transaction for a future date. All such requests will receive trade dates as previously described in *Purchasing Shares, Converting Shares, Redeeming Shares, and Exchanging Shares*. Vanguard reserves the right to return future-dated purchase checks.

### **Accounts With More Than One Owner**

If an account has more than one owner or authorized person, Vanguard generally will accept instructions from any one owner or authorized person.

### **Responsibility for Fraud**

Vanguard will not be responsible for any account losses because of fraud if we reasonably believe that the person transacting business on an account is authorized to do so. Please take precautions to protect yourself from fraud. Keep your account information private, and immediately review any account statements or other information that we provide to you. It is important that you contact Vanguard immediately about any transactions or changes to your account that you believe to be unauthorized.

### **Uncashed Checks**

Please cash your distribution or redemption checks promptly. Vanguard will not pay interest on uncashed checks. Vanguard may be required to transfer assets related to uncashed checks to a state under the state's abandoned property law.

### **Dormant Accounts**

If your account has no activity in it for a period of time, Vanguard may be required to transfer it to a state under the state's abandoned property law, subject to potential federal or state withholding taxes.

### **Unusual Circumstances**

If you experience difficulty contacting Vanguard online or by telephone, you can send us your transaction request on a Vanguard form by regular or express mail. See *Contacting Vanguard* for addresses.

## Investing With Vanguard Through Other Firms

You may purchase or sell shares of most Vanguard funds through a financial intermediary, such as a bank, a broker, or an investment advisor. Please consult your financial intermediary to determine which, if any, shares are available through that firm and to learn about other rules that may apply. Your financial intermediary can provide you with account information and any required tax forms. You may be required to pay a commission on purchases of mutual fund shares made through a financial intermediary.

Please see *Frequent-Trading Limitations—Accounts Held by Intermediaries* for information about the assessment of any purchase or redemption fees and the monitoring of frequent trading for accounts held by intermediaries.

## Account Service Fee

Vanguard charges a \$20 account service fee on fund accounts that have a balance below \$10,000 for any reason, including market fluctuation. The account service fee applies to both retirement *and* nonretirement fund accounts and will be assessed on fund accounts in all Vanguard funds, regardless of the account minimum. The fee, which will be collected by redeeming fund shares in the amount of \$20, will be deducted from a fund account only once per calendar year.

If you register on *vanguard.com* and elect to receive electronic delivery of statements, reports, and other materials for all of your fund accounts, the account service fee for balances below \$10,000 will not be charged, so long as that election remains in effect.

The account service fee also *does not* apply to the following:

- Money market sweep accounts owned in connection with a Vanguard Brokerage Services account.\*
- Accounts held through intermediaries.\*
- Accounts held by institutional clients.
- Accounts held by Voyager, Voyager Select, Flagship, and Flagship Select clients. Eligibility is based on total household assets held at Vanguard, with a minimum of \$50,000 to qualify for Vanguard Voyager Services®, \$500,000 for Vanguard Voyager Select Services®, \$1 million for Vanguard Flagship Services®, and \$5 million for Vanguard Flagship Select Services®. Vanguard determines eligibility by aggregating assets of all qualifying accounts held by the investor and immediate family members who reside at the same address. Aggregate assets include investments in Vanguard mutual funds, Vanguard ETFs®, certain annuities through Vanguard, the Vanguard 529 Plan, and certain small-business accounts. Assets in employer-sponsored retirement plans for which Vanguard provides recordkeeping services may be included in determining eligibility if the investor also has a personal account holding Vanguard mutual funds. Note that assets held in a Vanguard Brokerage Services account (other

than Vanguard funds, including Vanguard ETFs) are not included when determining a household's eligibility.

- Participant accounts in employer-sponsored defined contribution plans.\*\* Please consult your enrollment materials for the rules that apply to your account.

- Section 529 college savings plans.

\* Please note that intermediaries, including Vanguard Brokerage Services, may charge a separate fee.

\*\* The following Vanguard fund accounts have alternative fee structures: SIMPLE IRAs, certain Individual 403(b)(7) Custodial Accounts, Vanguard Retirement Investment Program pooled plans, and Vanguard Individual 401(k) Plans.

### **Low-Balance Accounts**

Each Fund reserves the right to liquidate a fund account whose balance falls below the account minimum for any reason, including market fluctuation. This liquidation policy applies to nonretirement fund accounts and accounts that are held through intermediaries. Any such liquidation will be preceded by written notice to the investor.

### **Right to Change Policies**

In addition to the rights expressly stated elsewhere in this prospectus, Vanguard reserves the right, without notice, to (1) alter, add, or discontinue any conditions of purchase (including eligibility requirements), redemption, exchange, conversion, service, or privilege at any time; (2) accept initial purchases by telephone; (3) freeze any account and/or suspend account services if Vanguard has received reasonable notice of a dispute regarding the assets in an account, including notice of a dispute between the registered or beneficial account owners, or if Vanguard reasonably believes a fraudulent transaction may occur or has occurred; (4) temporarily freeze any account and/or suspend account services upon initial notification to Vanguard of the death of the shareholder until Vanguard receives required documentation in good order; (5) alter, impose, discontinue, or waive any purchase fee, redemption fee, account service fee, or other fees charged to a shareholder or a group of shareholders; and (6) redeem an account or suspend account privileges, without the owner's permission to do so, in cases of threatening conduct or activity Vanguard believes to be suspicious, fraudulent, or illegal. Changes may affect any or all investors. These actions will be taken when, at the sole discretion of Vanguard management, Vanguard reasonably believes they are in the best interest of a fund.



## Share Classes

Vanguard reserves the right, without notice, to change the eligibility requirements of its share classes, including the types of clients who are eligible to purchase each share class.

## Fund and Account Updates

### Confirmation Statements

We will send (or provide through our website, whichever you prefer) a confirmation of your trade date and the amount of your transaction when you buy, sell, exchange, or convert shares. However, we will not send confirmations reflecting only checkwriting redemptions or the reinvestment of dividend or capital gains distributions. For any month in which you had a checkwriting redemption, a Checkwriting Activity Statement will be sent to you itemizing the checkwriting redemptions for that month. Promptly review each confirmation statement that we provide to you. It is important that you contact Vanguard immediately with any questions you may have about any transaction reflected on a confirmation statement, or Vanguard will consider the transaction properly processed.

### Portfolio Summaries

We will send (or provide through our website, whichever you prefer) quarterly portfolio summaries to help you keep track of your accounts throughout the year. Each summary shows the market value of your account at the close of the statement period, as well as all distributions, purchases, redemptions, exchanges, transfers, and conversions for the current calendar quarter (or month). Promptly review each summary that we provide to you. It is important that you contact Vanguard immediately with any questions you may have about any transaction reflected on the summary, or Vanguard will consider the transaction properly processed.

### Tax Information Statements

For most accounts, Vanguard (or your intermediary) is required to provide annual tax forms to assist you in preparing your income tax returns. These forms are generally available for each calendar year early in the following year. Registered users of *vanguard.com* can also view certain forms through our website. Vanguard (or your intermediary) may also provide you with additional tax-related documentation. For more information, consult our website at *vanguard.com* or see *Contacting Vanguard*.

### Annual and Semiannual Reports

We will send (or provide through our website, whichever you prefer) reports about Vanguard Bond Index Funds twice a year, in February and August. These reports

include overviews of the financial markets and provide the following specific Fund information:

- Performance assessments and comparisons with industry benchmarks.
- Financial statements with listings of Fund holdings.

### **Portfolio Holdings**

Please consult the Funds' *Statement of Additional Information* or our website for a description of the policies and procedures that govern disclosure of a Fund's portfolio holdings.

### **Employer-Sponsored Plans**

Your plan administrator or your employee benefits office can provide you with detailed information on how to participate in your plan and how to elect a Fund as an investment option.

- If you have any questions about a Fund or Vanguard, including those about a Fund's investment objective, strategies, or risks, contact Vanguard Participant Services toll-free at 800-523-1188 or visit our website at *vanguard.com*.
- If you have questions about your account, contact your plan administrator or the organization that provides recordkeeping services for your plan.
- Be sure to carefully read each topic that pertains to your transactions with Vanguard.

Vanguard reserves the right to change its policies without notice to shareholders.

### **Transactions**

Processing times for your transaction requests may differ among recordkeepers or among transaction and funding types. Your plan's recordkeeper (which may also be Vanguard) will determine the necessary processing time frames for your transaction requests prior to submission to a Fund. Consult your recordkeeper or plan administrator for more information.

If Vanguard is serving as your plan recordkeeper and if your transaction involves one or more investments with an early cut-off time for processing or another trading restriction, your entire transaction will be subject to the restriction when the trade date for your transaction is determined.

## Contacting Vanguard

### Web

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Vanguard.com	For the most complete source of Vanguard news For fund, account, and service information For most account transactions For literature requests 24 hours a day, 7 days a week
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### Phone

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Vanguard Tele-Account® 800-662-6273	For automated fund and account information Toll-free, 24 hours a day, 7 days a week
Investor Information 800-662-7447 (Text telephone for people with hearing impairment at 800-749-7273)	For fund and service information For literature requests
Client Services 800-662-2739 (Text telephone for people with hearing impairment at 800-749-7273)	For account information For most account transactions
Participant Services 800-523-1188 (Text telephone for people with hearing impairment at 800-749-7273)	For information and services for participants in employer-sponsored plans
Institutional Division 888-809-8102	For information and services for large institutional investors
Financial Advisor and Intermediary Sales Support 800-997-2798	For information and services for financial intermediaries including financial advisors, broker-dealers, trust institutions, and insurance companies
Financial Advisory and Intermediary Trading Support 800-669-0498	For account information and trading support for financial intermediaries including financial advisors, broker-dealers, trust institutions, and insurance companies

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## Vanguard Addresses

Please be sure to use the correct address and the correct form. Use of an incorrect address or form could delay the processing of your transaction.

<b>Regular Mail (Individuals)</b>	The Vanguard Group P.O. Box 1110 Valley Forge, PA 19482-1110
<b>Regular Mail (Institutions, Intermediaries, and Employer-Sponsored Plan Participants)</b>	The Vanguard Group P.O. Box 2900 Valley Forge, PA 19482-2900
<b>Registered, Express, or Overnight Mail</b>	The Vanguard Group 455 Devon Park Drive Wayne, PA 19087-1815

## Additional Information

	Inception Date	Newspaper Abbreviation	Vanguard Fund Number	CUSIP Number
<b>Total Bond Market Index Fund</b>				
Investor Shares	12/11/1986	TotBd	84	921937108
Admiral Shares	11/12/2001	TotBdAdml	584	921937603
<b>Short-Term Bond Index Fund</b>				
Investor Shares	3/1/1994	STBond	132	921937207
Admiral Shares	11/12/2001	STBondAdml	5132	921937702
<b>Intermediate-Term Bond Index Fund</b>				
Investor Shares	3/1/1994	ITBond	314	921937306
Admiral Shares	11/12/2001	ITBondAdml	5314	921937801
<b>Long-Term Bond Index Fund</b>				
Investor Shares	3/1/1994	LTBond	522	921937405
Admiral Shares	2/7/2019	LTBondAdml	2022	921937652

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Additionally, Vanguard may for itself execute transaction(s) with Barclays in or relating to the Indices in connection with the Bond Index Funds. Investors acquire the Bond Index Funds from Vanguard and investors neither acquire any interest in the Indices nor enter into any relationship of any kind whatsoever with Bloomberg or Barclays upon making an investment in the Bond Index Funds. The Bond Index Funds are not sponsored, endorsed, sold or promoted by Bloomberg or Barclays. Neither Bloomberg nor Barclays makes any representation or warranty, express or implied regarding the advisability of investing in the Bond Index Funds or the advisability of investing in securities generally or the ability of the Indices to track corresponding or relative market performance. Neither Bloomberg nor Barclays has passed on the legality or suitability of the Bond Index Funds with respect to any person or entity. Neither Bloomberg nor Barclays is responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Bond Index Funds to be issued. Neither Bloomberg nor Barclays has any obligation to take the needs of the Issuer or the owners of the Bond Index Funds or any other third party into consideration in determining, composing or calculating the Indices. Neither Bloomberg nor Barclays has any obligation or liability in connection with administration, marketing or trading of the Bond Index Funds.

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# Glossary of Investment Terms

**Active Management.** An investment approach that seeks to exceed the average returns of a particular financial market or market segment. In selecting securities to buy and sell, active managers may rely on, among other things, research, market forecasts, quantitative models, and their own judgment and experience.

**Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index.** An index that includes U.S. Treasury and agency obligations, as well as investment-grade corporate and international dollar-denominated bonds, all having maturities of 1 to 5 years.

**Bloomberg Barclays U.S. 5–10 Year Government/Credit Bond Index.** An index that includes U.S. Treasury and agency obligations, as well as investment-grade corporate and international dollar-denominated bonds with maturities of 5 to 10 years.

**Bloomberg Barclays U.S. Aggregate Bond Index.** An index that is the broadest representation of the taxable U.S. bond market, including most U.S. Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with investment-grade ratings (rated Baa3 or above by Moody's) and maturities of 1 year or more.

**Bloomberg Barclays U.S. Long Government/Credit Bond Index.** An index that includes U.S. Treasury and agency obligations, as well as investment-grade corporate and international dollar-denominated bonds, all having maturities of 10 years or more.

**Bond.** A debt security (IOU) issued by a corporation, a government, or a government agency in exchange for the money the bondholder lends it. In most instances, the issuer agrees to pay back the loan by a specific date and generally to make regular interest payments until that date.

**Capital Gains Distributions.** Payments to mutual fund shareholders of gains realized on securities that a fund has sold at a profit, minus any realized losses.

**Coupon Rate.** The interest rate paid by the issuer of a debt security until its maturity. It is expressed as an annual percentage of the face value of the security.

**Dividend Distributions.** Payments to mutual fund shareholders of income from interest or dividends generated by a fund's investments.

**Expense Ratio.** A fund's total annual operating expenses expressed as a percentage of the fund's average net assets. The expense ratio includes management and administrative expenses, but it does not include the transaction costs of buying and selling portfolio securities.

**Face Value.** The amount to be paid at a bond's maturity; also known as the par value or principal.

**Fixed Income Security.** An investment, such as a bond, representing a debt that must be repaid by a specified date, and on which the borrower must pay a fixed, variable, or floating rate of interest.

**Float-Adjusted Index.** An index that weights its constituent securities based on the value of the constituent securities that are available for public trading, rather than the value of all constituent securities. Some portion of an issuer's securities may be unavailable for public trading because, for example, those securities are owned by company insiders on a restricted basis or by a government agency. By excluding unavailable securities, float-adjusted indexes can produce a more accurate picture of the returns actually experienced by investors in the measured market.

**Inception Date.** The date on which the assets of a fund (or one of its share classes) are first invested in accordance with the fund's investment objective. For funds with a subscription period, the inception date is the day after that period ends. Investment performance is generally measured from the inception date.

**Indexing.** A low-cost investment strategy in which a mutual fund attempts to track—rather than outperform—a specified market benchmark, or “index.”

**Investment-Grade Bond.** A debt security whose credit quality is considered by independent bond rating agencies, or through independent analysis conducted by a fund's advisor, to be sufficient to ensure timely payment of principal and interest under current economic circumstances. Debt securities rated in one of the four highest rating categories are considered investment-grade. Other debt securities may be considered by an advisor to be investment-grade.

**Joint Committed Credit Facility.** Each Fund participates, along with other funds managed by Vanguard, in a committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each Vanguard fund is individually liable for its borrowings, if any, under the credit facility. The amount and terms of the committed credit facility are subject to approval by the Funds' board of trustees and renegotiation with the lender syndicate on an annual basis.

**Mutual Fund.** An investment company that pools the money of many people and invests it in a variety of securities in an effort to achieve a specific objective over time.

**New York Stock Exchange (NYSE).** A stock exchange based in New York City that is open for regular trading on business days, Monday through Friday, from 9:30 a.m. to 4 p.m., Eastern time.

**Principal.** The face value of a debt instrument or the amount of money put into an investment.

**Securities.** Stocks, bonds, money market instruments, and other investments.

**Total Return.** A percentage change, over a specified time period, in a mutual fund's net asset value, assuming the reinvestment of all distributions of dividends and capital gains.

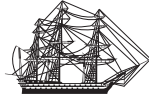
**Volatility.** The fluctuations in value of a mutual fund or other security. The greater a fund's volatility, the wider the fluctuations in its returns.

**Yield.** Income (interest or dividends) earned by an investment, expressed as a percentage of the investment's price.



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#### **For More Information**

If you would like more information about Vanguard Bond Index Funds, the following documents are available free upon request:

#### **Annual/Semiannual Reports to Shareholders**

Additional information about the Funds' investments is available in the Funds' annual and semiannual reports to shareholders. In the annual reports, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

#### **Statement of Additional Information (SAI)**

The SAI provides more detailed information about the Funds and is incorporated by reference into (and thus legally a part of) this prospectus.

To receive a free copy of the latest annual or semiannual reports or the SAI, or to request additional information about the Funds or other Vanguard funds, please visit [vanguard.com](http://vanguard.com) or contact us as follows:

*If you are an individual investor:*

The Vanguard Group  
Investor Information Department  
P.O. Box 2600  
Valley Forge, PA 19482-2600  
Telephone: 800-662-7447; Text telephone for people with hearing impairment: 800-749-7273

*If you are a participant in an employer-sponsored plan:*

The Vanguard Group  
Participant Services  
P.O. Box 2900  
Valley Forge, PA 19482-2900  
Telephone: 800-523-1188; Text telephone for people with hearing impairment: 800-749-7273

If you are a current Vanguard shareholder and would like information about your account, account transactions, and/or account statements, please call:

Client Services Department  
Telephone: 800-662-2739; Text telephone for people with hearing impairment: 800-749-7273

#### **Information Provided by the Securities and Exchange Commission (SEC)**

Reports and other information about the Funds are available in the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov), or you can receive copies of this information, for a fee, by electronic request at the following email address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

Funds' Investment Company Act file number: 811-04681