

Vanguard Total Bond Market Index Portfolio

Bond fund

Fund facts

Risk level Low <-----> High					Total net assets	Expense ratio as of 04/29/21	Turnover rate	Inception date	Fund number
1	2	3	4	5	\$4,824 MM	0.14%	94.0%	04/29/91	0257

Investment objective

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

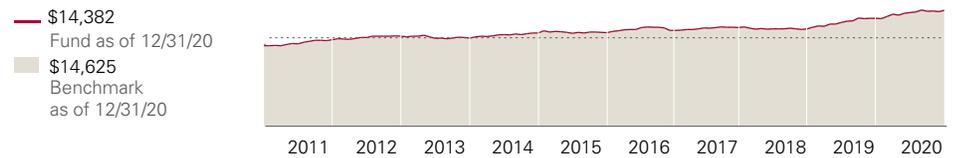
Investment strategy

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

Benchmark

Spliced BloomBarc USAgg Flt Adjlx

Growth of a \$10,000 investment : January 31, 2011 – December 31, 2020



Annual returns



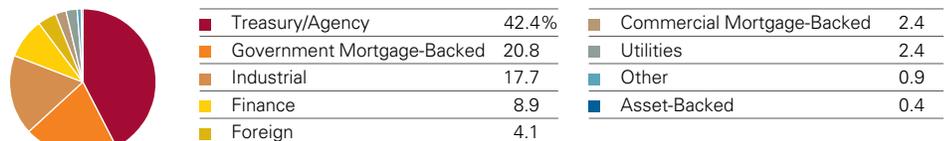
Total returns

	Periods ended June 30, 2021					
	Quarter	Year to date	One year	Three years	Five years	Ten years
Fund	2.00%	-1.64%	-0.39%	5.32%	2.93%	3.29%
Benchmark	1.96%	-1.67%	-0.33%	5.44%	3.07%	3.44%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

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

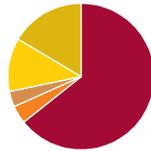
Distribution by issuer—bonds



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Distribution by credit quality†



■ U.S. Government	64.3%
■ Aaa	4.0%
■ Aa	3.4%

■ A	11.9%
■ Baa	16.4%

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Plain talk about risk

The portfolio's share price and total return will fluctuate, along with returns for the overall high yield bond market, within a wide range, so an investor could lose money over short or even long periods. The portfolio is also subject to:

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

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

Prepayment risk: The chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in 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.

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

Credit risk: The chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the fund because it purchases only bonds that are of investment-grade quality.

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

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

Note on frequent trading restrictions

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

†Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). "NR" is used to classify securities for which a rating is not available. NR securities may include a fund's investment in Vanguard Market Liquidity Fund or Vanguard Municipal Cash Management Fund, each of which invests in high-quality money market instruments and may serve as a cash management vehicle for the Vanguard funds, trusts, and accounts. U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities appear under "U.S. Government." Credit-quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P). When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

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