

U.S. government obligations income information

Important tax information for 2021

This tax update provides information to help you properly report your state and local tax liability on income distributions you received from your mutual fund investments in 2021.

On the next page, you'll find a list of Vanguard funds that earned a portion of their investment income from obligations of the U.S. government. Direct U.S. government obligations and certain U.S. government agency obligations are generally exempt from taxation in most states.*

Percentage of the fund's total *income* derived from U.S. government obligations in 2021

Check with your state or local tax office or with your tax advisor to determine whether your state allows you to exclude some or all of the income you earn from mutual funds that invest in U.S. government obligations. If your state allows an exclusion, refer to the next page for the percentage of income that may be excluded for each fund in which you're invested.**

Questions?

Call us at 877-662-7447 Monday through Friday from 8 a.m. to 8 p.m., Eastern time. Our investment professionals can't provide tax advice; consult a qualified tax professional if your tax situation is complex or if you're uncertain about a specific IRS rule. You can also find a variety of general tax-preparation data and tools at investor.vanguard.com/taxes/.

*Investments in U.S. government obligations may include the following: Banks for Cooperatives, the Commodity Credit Corporation, the Federal Deposit Insurance Corporation, Federal Farm Credit Banks, the Federal Financing Bank, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks and the Federal Land Bank Association, the Federal Savings and Loan Insurance Corporation, the General Insurance Fund, the Government Services Administration (GSA Public Building Trust Participation Certificates), the Production Credit Association, the Student Loan Marketing Association, the Tennessee Valley Authority, the U.S. Postal Service, and the U.S. Treasury Department (bonds, notes, bills, certificates, and savings bonds). GNMA securities aren't U.S. government obligations.

**The percentages provided apply only to income distributions (dividends); they don't apply to capital gains distributions (whether long-term or short-term).

Vanguard fund*	Percentage of income from U.S. government obligations
500 Index Fund	0.01%
Advice Select Dividend Growth Fund	0.10
Advice Select Global Value Fund	0.14
Advice Select International Growth Fund	28.87
Alternative Strategies Fund	1.39
Balanced Index Fund	14.68
Capital Opportunity Fund	0.08
Cash Reserves Federal Money Market Fund**	71.79
Commodity Strategy Fund**	87.21
Core Bond Fund	10.20
Core-Plus Bond Fund	19.70
Developed Markets Index Fund	0.01
Diversified Equity Fund	0.03
Emerging Markets Bond Fund	0.82
Emerging Markets Select Stock Fund	0.05
Emerging Markets Stock Index Fund	0.01
Equity Income Fund	0.01
ESG U.S. Corporate Bond ETF	0.04
Explore™ Fund	0.11
Extended Duration Treasury Index Fund**, †	100.00
Extended Market Index Fund	0.02
Federal Money Market Fund**	72.78
Global Capital Cycles Fund	0.02
Global Credit Bond Fund	0.21
Global Equity Fund	0.07
Global ESG Select Stock Fund	0.02
Global Wellesley® Income Fund	0.92
Global Wellington™ Fund	0.64
GNMA Fund	0.21
Growth Index Fund	0.01
Health Care Fund	0.03
High-Yield Corporate Fund	0.16
Inflation-Protected Securities Fund**, †	99.99
Institutional Index Fund	0.01
Institutional Intermediate-Term Bond Fund	4.62
Institutional Short-Term Bond Fund	4.31
Institutional Target Retirement 2015 Fund	44.28
Institutional Target Retirement 2020 Fund	31.02
Institutional Target Retirement 2025 Fund	13.71
Institutional Target Retirement 2030 Fund	7.13
Institutional Target Retirement 2035 Fund	5.42
Institutional Target Retirement 2040 Fund	3.77
Institutional Target Retirement 2045 Fund	2.20
Institutional Target Retirement 2050 Fund	1.85
Institutional Target Retirement 2055 Fund	1.84
Institutional Target Retirement 2060 Fund	1.81
Institutional Target Retirement 2065 Fund	1.76
Institutional Target Retirement Income Fund	46.61
Intermediate-Term Bond Index Fund	40.41
Intermediate-Term Corporate Bond Index Fund	0.07
Intermediate-Term Investment-Grade Fund	3.49
Intermediate-Term Treasury Fund**, †	84.54
Intermediate-Term Treasury Index Fund**, †	100.00
International Core Stock Fund	0.01
International Explorer Fund	0.02
International Value Fund	0.01
Large-Cap Index Fund	0.01
LifeStrategy® Conservative Growth Fund	11.69
LifeStrategy Growth Fund	3.91
LifeStrategy Income Fund	15.31
LifeStrategy Moderate Growth Fund	7.85
Long-Term Bond Index Fund	32.35
Long-Term Corporate Bond Index Fund	0.02
Long-Term Investment-Grade Fund	3.18

Vanguard fund*	Percentage of income from U.S. government obligations
Long-Term Treasury Fund**, †	90.87%
Long-Term Treasury Index Fund**, †	100.00
Managed Allocation Fund	43.09
Market Neutral Fund	0.02
Mid-Cap Growth Fund	0.29
Mid-Cap Index Fund	0.01
Mortgage-Backed Securities Index Fund	0.07
Multi-Sector Income Bond Fund	2.13
PRIMECAP Core Fund	0.07
PRIMECAP Fund	0.04
Real Estate II Index Fund	0.01
Real Estate Index Fund	0.01
S&P 500 Growth Index Fund	0.01
S&P Mid-Cap 400 Growth Index Fund	0.01
S&P Mid-Cap 400 Value Index Fund	0.01
S&P Small-Cap 600 Index Fund	0.01
Selected Value Fund	0.06
Short-Term Bond Index Fund**	77.73
Short-Term Corporate Bond Index Fund	0.03
Short-Term Federal Fund	35.47
Short-Term Inflation-Protected Securities Index Fund**, †	99.99
Short-Term Investment-Grade Fund	2.67
Short-Term Treasury Fund**, †	77.94
Short-Term Treasury Index Fund**, †	100.00
Small-Cap Growth Index Fund	0.01
Small-Cap Index Fund	0.01
STAR® Fund	1.35
Strategic Equity Fund	0.01
Strategic Small-Cap Equity Fund	0.01
Target Retirement 2015 Fund	37.95
Target Retirement 2020 Fund	26.88
Target Retirement 2025 Fund	10.98
Target Retirement 2030 Fund	6.99
Target Retirement 2035 Fund	5.39
Target Retirement 2040 Fund	3.89
Target Retirement 2045 Fund	2.32
Target Retirement 2050 Fund	1.96
Target Retirement 2055 Fund	1.99
Target Retirement 2060 Fund	2.01
Target Retirement 2065 Fund	1.97
Target Retirement Income Fund	39.64
Tax-Managed Capital Appreciation Fund	0.01
Tax-Managed Small-Cap Fund	0.01
Total Bond Market Index Fund	35.64
Total Bond Market II Index Fund	32.54
Total Corporate Bond ETF	0.04
Total International Bond Index Fund	0.02
Total International Bond II Index Fund	0.04
Total International Stock Index Fund	0.01
Total Stock Market Index Fund	0.01
Total World Bond ETF	12.95
Treasury Money Market Fund**, †	100.00
U.S. Liquidity Factor ETF	0.01
U.S. Minimum Volatility ETF	0.02
U.S. Momentum Factor ETF	0.01
U.S. Multifactor Fund	0.02
U.S. Quality Factor ETF	0.01
Ultra-Short Bond ETF	0.78
Ultra-Short-Term Bond Fund	0.78
Wellesley Income Fund	3.23
Wellington Fund	3.93
Windsor™ Fund	0.02
Windsor II Fund	0.06

*This information applies to all share classes of a fund, including ETFs (exchange-traded funds).

**This fund meets the threshold requirements for California, Connecticut, and New York, which require that 50% of the fund's assets at each quarter-end within the tax year consist of U.S. government obligations.

†This fund meets the requirements for a New Jersey "qualified investment fund."