Vanguard

S..00 m n Da J..n 5, 2024, P..0

Im0 an C an F..n

2024, B
( ) (1) (2)

P..0 T.. C an

Vanguard®

B

A 26, 2024

31, 2023.

T S E C (SEC) a

C n

1
7

8%

P n 0a h m n S a

B (B)

( ) ( ) 70%

30% T

B

Principal Risks

An investment in the Fund involves risk. The principal risks of investing in the Fund are:

- *Interest rate risk*, the risk that changes in interest rates will affect the value of the Fund's investments in fixed-income securities. Increases in interest rates may cause the value of the Fund's investments to decline.
- *Credit risk*, the risk that the issuer or guarantor of a debt security, or the counterparty to a derivative contract, will be unable or unwilling to make timely principal, interest or settlement payments, or otherwise honor its obligations.
- *Income risk*, the risk that the Fund's income will decline because of falling interest rates. The Fund's income may decline when interest rates fall.
- *Call risk*, the risk that an issuer may exercise its right to redeem a debt security (such as mortgage-backed securities) earlier than expected. Call risk is generally high during periods of falling interest rates.
- *Prepayment risk*, the risk that a borrower may pay off a debt obligation sooner than expected. This may reduce the Fund's income and cause the Fund to reinvest in lower-yielding securities.
- *Extension risk*, the risk that a borrower may pay off a debt obligation later than expected. This may cause the Fund to hold a lower-yielding security for a longer period than expected.
- *Liquidity risk*, the risk that certain securities may be difficult or impossible to sell at the time and the price that the Fund would like.

- *Country/regional risk*,
- *Currency hedging risk*,
- *Nondiversification risk*,
- *Index sampling risk*,

A P a a a b F a D h a C a a a

A a T a R

T
A *advisors.vanguard.com*
800-522-5555.

Ta h ma

Pa m n Fn a a h m a

M P

A

A N Ab Va a Va ab h a F n

B

B

A

(B)

The Portfolio is subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Portfolio because the underlying funds primarily invest in short- and intermediate-term bonds, whose prices are less sensitive to interest rate changes.

A [illegible] 48% [illegible] 1976 [illegible] 1981.

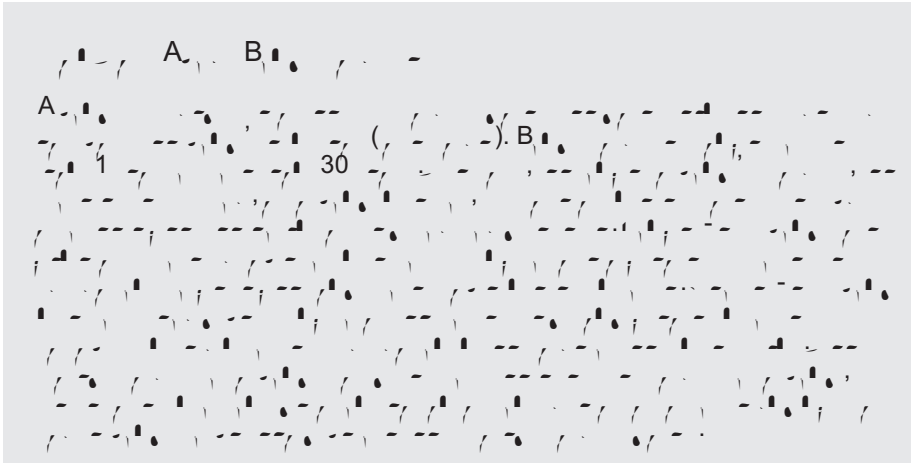
[illegible] 1% [illegible] 2% [illegible] $1,000.

H[illegible] Ra[illegible] A[illegible] Va[illegible] a $1,000 B[illegible] [1]

T[illegible] B[illegible] (Ma[illegible])	**A[illegible] a 1% *Increase***	**A[illegible] a 1% *Decrease***	**A[illegible] a 2% *Increase***	**A[illegible] a 2% *Decrease***
[illegible] (2.5[illegible])	$977	$1,024	$954	$1,049
[illegible] (10[illegible])	922	1,086	851	1,180
[illegible] (20[illegible])	874	1,150	769	1,328

1 A[illegible] 4%[illegible]

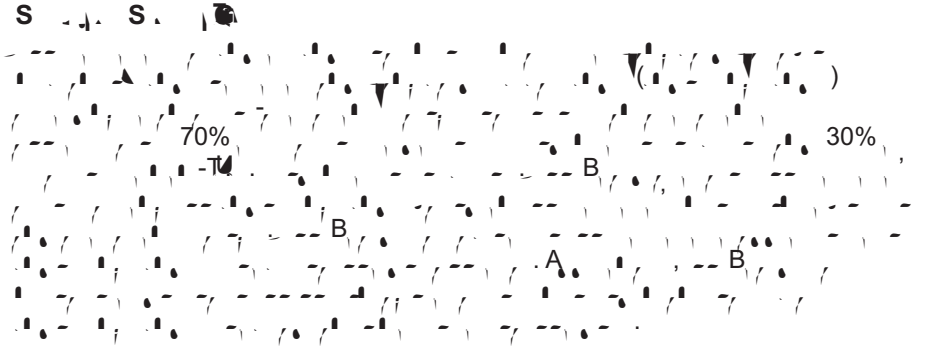
[illegible]



A

The Portfolio 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. An underlying 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, which may reduce the Portfolio's income.

The Portfolio 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 an underlying fund. The underlying 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, 2 1 7.4 7 7cm0 0m-.2 1 9


70%
30%
B
B
A
B

O h m P G a R

B

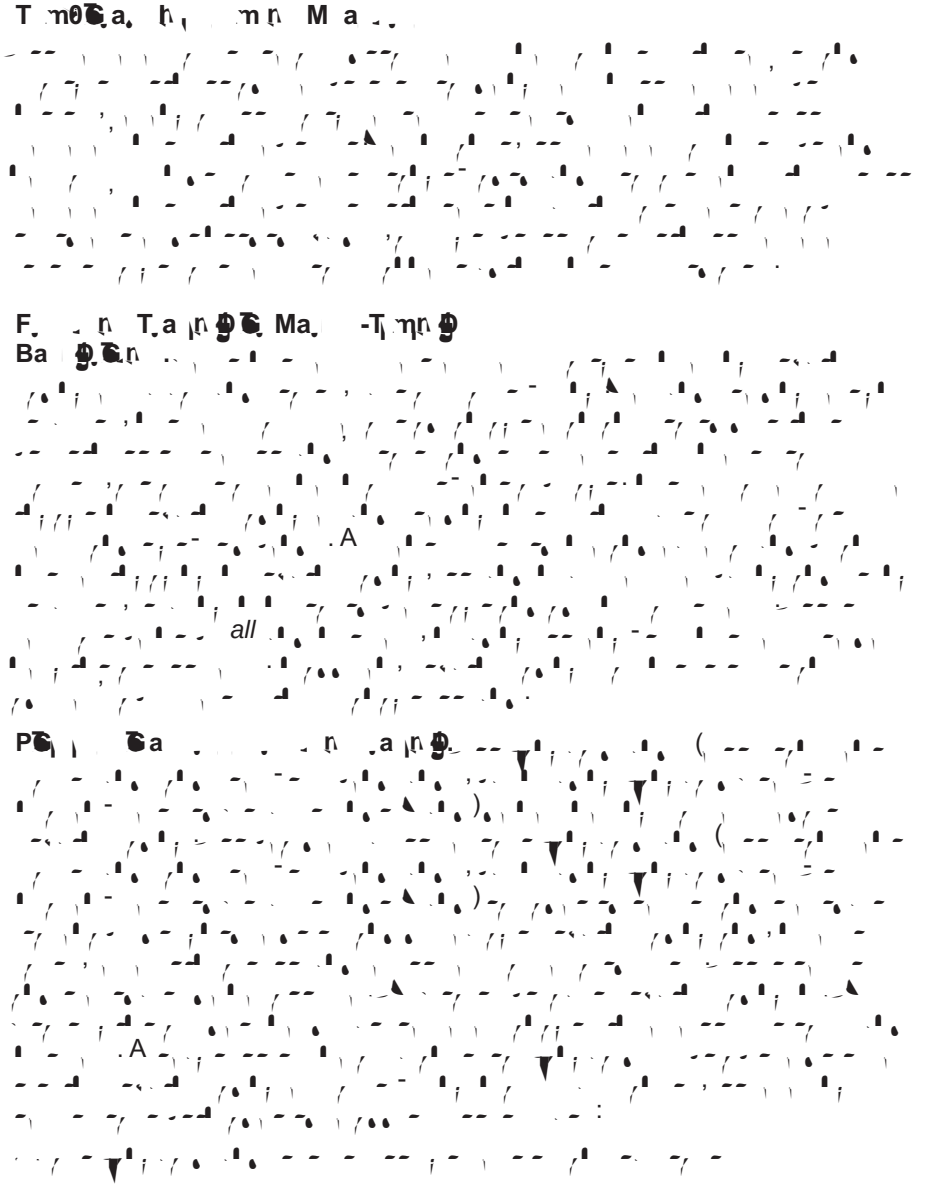
The Portfolio may invest in derivatives. In general, investments in derivatives may involve risks different from, and possibly greater than, those of investments directly in the underlying securities or assets.

( ),
( ),
( )

A

Ca Ma a m

( ),



T P G a V a

200 A ( ) ( ),

A 12 -1 ( ) ( )

A (1)

(2)

A

A T

h m n A G

A 19482, 1975, B 2600, (1)

(2)

Ta

A

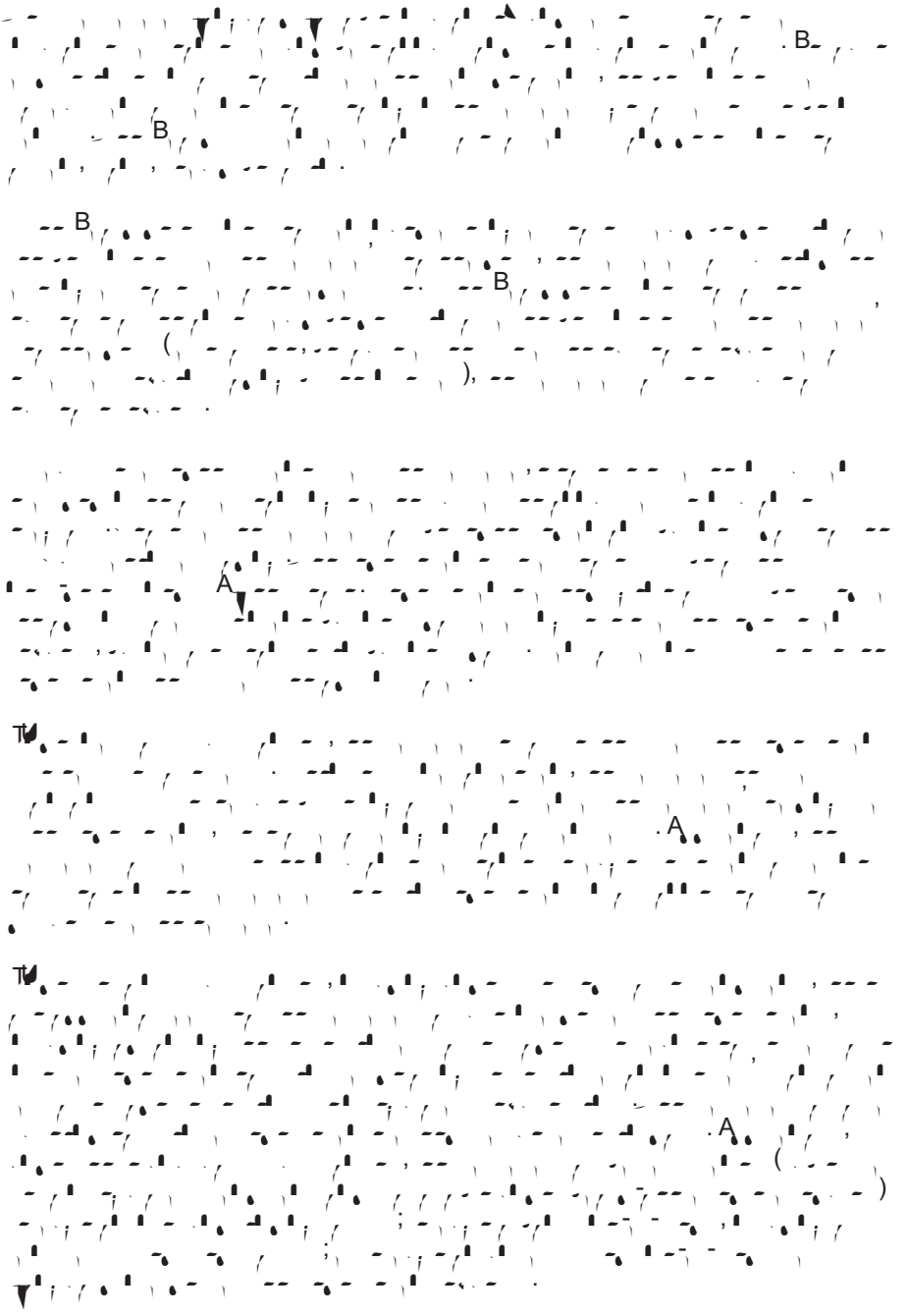
Statement of Additional Information

S a P

net asset value (A),
( ), 4 .,
( ).
A
( ), 4 .,
A
A
A

G ba B h P

G n .a h G ma G



Statement of Additional Information

10% 10%

CFA

G a h m n T m

A F n A

A ag Ma

B mb G ba A Ba F a A h A

B A

Ca a Gan D b

C mm S A

C 0 a B A A

C 0 Ra

D b

D[illegible] n D[illegible] b[illegible]

D[illegible] a[illegible]

2% 1%. 2% 1%.

E[illegible] n Ra[illegible]

Fa Va[illegible]

F[illegible] h [illegible]m S[illegible]

F[illegible]a -A[illegible] h[illegible]

B

F[illegible] n F[illegible]

h[illegible] Da[illegible]

h[illegible] g

Van d