

Benchmark modification for Vanguard Emerging Markets Government Bond Index Fund

Vanguard believes this change improves the portfolio's liquidity while maintaining its broad exposure to emerging-market bonds.

On May 1, 2019, Bloomberg Barclays modified the methodology of the Bloomberg Barclays USD Emerging Markets Government RIC Capped Index, the target benchmark of Vanguard Emerging Markets Government Bond Index Fund. Bloomberg Barclays raised the quasi-sovereign bond issuance amount outstanding that is required for inclusion in the index from \$500 million or more to \$1.5 billion. Quasi-sovereign bond debt is debt issued by corporations that are at least 50% government-backed or government-owned.

This benchmark transition was completed over a month-long period during the second quarter of 2019 with minimal transaction costs to the fund.

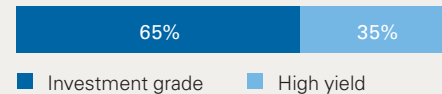
The benchmark modification is expected to benefit investors by improving the portfolio's liquidity through reduced exposure to less-liquid securities and by lowering transaction costs. The portfolio will continue to offer broadly diversified emerging-market fixed income exposure, and we anticipate minimal impact on credit quality and duration.

Bloomberg Barclays USD Emerging Markets Government RIC Capped Index (Old)

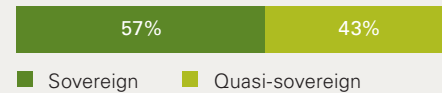
Characteristics before May 1, 2019

Amount outstanding threshold	\$500M
Number of holdings	1,147
Number of markets	75
Duration (years)	6.46
Yield to maturity	5.26%
Annualized return*	4.40%
Annualized risk*	4.34%

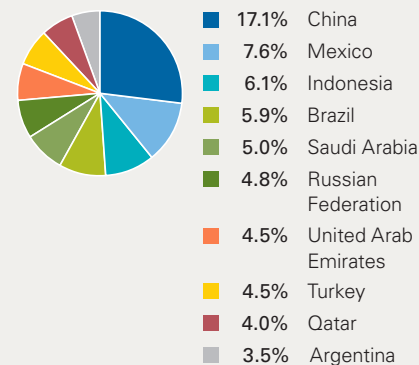
Credit quality



Sovereign vs. Quasi-sovereign



Country Weights (Top 10 countries 63.0%)

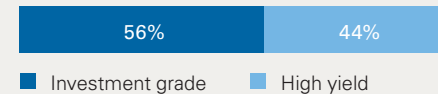


Bloomberg Barclays USD Emerging Markets Government RIC Capped Index (New)

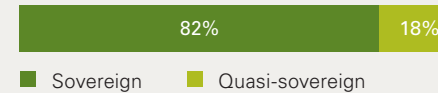
Characteristics starting May 1, 2019

Amount outstanding threshold	\$500M sovereign \$1.5B quasi-sovereign
Number of holdings	565
Number of markets	72
Duration (years)	7.24
Yield to maturity	5.67%
Annualized return*	4.40%
Annualized risk*	5.65%

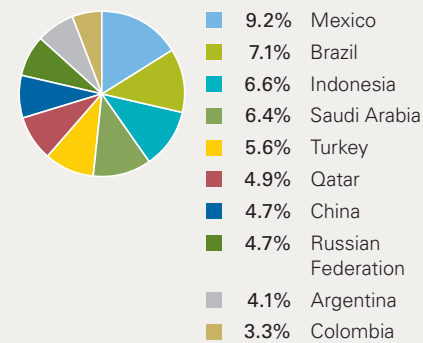
Credit quality



Sovereign vs. Quasi-sovereign



Country Weights (Top 10 countries 56.6%)

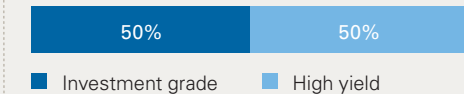


JP Morgan EMBI Global Core Index

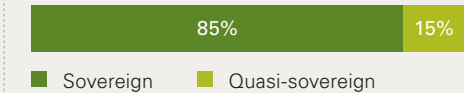
Characteristics

Amount outstanding threshold	\$1B
Number of holdings	461
Number of markets	60
Duration (years)	7.37
Yield to maturity	6.05%
Annualized return*	4.59%
Annualized risk*	5.71%

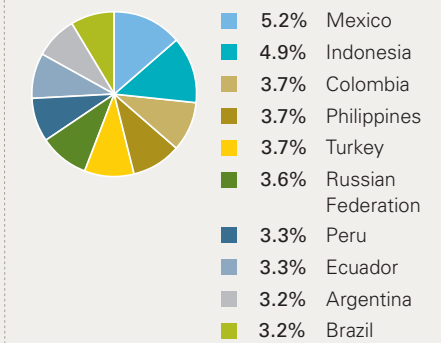
Credit quality



Sovereign vs. Quasi-sovereign



Country Weights (Top 10 countries 37.8%)



*As of the five year period ending December 31, 2018.
Source: IMF, Bloomberg/Barclays.

The above charts compare the benchmark characteristics before and after the modification, as well as a comparison to the JP Morgan EMBI Global Core Index, as it is the benchmark for the largest product in its category.

For more information about Vanguard funds, visit institutional.vanguard.com or call 800-523-1036 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

All investing is subject to risk, including possible loss of principal.

Bond funds are subject to the risk that an issuer will fail to make payments on time, and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments.

Stocks of companies based in emerging markets are subject to national and regional political and economic risks and to the risk of currency fluctuations. These risks are especially high in emerging markets.

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7,925,573; 8,090,646; and 8,417,623.

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