



U.S. government obligations information

Important tax information for 2019

This tax update contains information to help your clients properly report state and local tax liability on income distributions they received from their mutual fund investments in 2019.

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 obligations of certain U.S. government agencies are generally exempt from taxation in most states.¹ To the right of each fund name, you'll find columns:

- **Column 1. Percentage of the fund's total *income* derived from U.S. government obligations in 2019.**

Clients should check with their state or local tax offices or with a tax advisor to determine whether their state allows them to exclude some of or all the income they earn from mutual funds that invest in U.S. government obligations. If their state allows an exclusion, refer to this column for the percentage of income that may be excluded for each fund in which they are invested.²

- **Column 2. Percentage of the fund's *assets* invested in U.S. government obligations as of December 31, 2019.**

Certain states and municipalities require residents to pay intangible or personal property tax. If your clients are required to pay either of these taxes, they should refer to this column for the percentage that may be excluded from these taxes for each fund in which they are invested.

For more information, please contact Vanguard Financial Advisor Services™ at **800-997-2798** Monday through Friday from 8:30 a.m. to 7 p.m., Eastern time. Although our representatives are qualified to provide information about Vanguard investment products and services, they cannot provide tax advice. Advisors should consult an independent tax advisor regarding more complex tax situations. Advisors also can find a broad array of general tax-preparation data and tools in the Tax center area of our website at advisors.vanguard.com.

¹ 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, 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 are not U.S. government obligations.

² 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	Percentage of assets invested in U.S. government obligations as of December 31, 2019
Alternative Strategies	11.11%	7.99%
Balanced Index	17.59	17.31
Capital Opportunity	2.02	0.36
Commodity Strategy**	93.70	74.68
Core Bond	22.51	24.36
Emerging Markets Bond	1.52	3.12
Explorer	4.02	0.90
Explorer Value™	2.88	2.58
Extended Duration Treasury Index**, †	99.98	99.99
Federal Money Market**	73.24	73.36
Global Credit Bond	3.08	3.13
Global ESG Select Stock	2.13	1.04
Global Wellesley® Income	1.65	1.66
Global Wellington™	1.97	1.81
GNMA	2.62	0.84
High-Yield Corporate	2.24	4.29
Inflation-Protected Securities**, †	99.19	98.48
Institutional Intermediate-Term Bond	14.37	10.81
Institutional Short-Term Bond	10.70	11.28
Institutional Target Retirement 2015	24.20	29.20
Institutional Target Retirement 2020	16.71	20.38
Institutional Target Retirement 2025	10.50	12.33
Institutional Target Retirement 2030	8.43	10.00
Institutional Target Retirement 2035	6.57	7.74
Institutional Target Retirement 2040	4.64	5.45
Institutional Target Retirement 2045	3.00	3.33
Institutional Target Retirement 2050	2.99	3.33
Institutional Target Retirement 2055	2.94	3.31
Institutional Target Retirement 2060	2.88	3.34
Institutional Target Retirement 2065	2.72	3.32
Institutional Target Retirement Income	26.76	32.99
Intermediate-Term Bond Index**	43.40	54.31
Intermediate-Term Investment-Grade	5.77	6.52
Intermediate-Term Treasury**, †	90.70	92.45
Intermediate-Term Treasury Index**, †	99.92	99.88
International Core Stock	2.85	1.56
LifeStrategy® Conservative Growth	15.52	18.78
LifeStrategy Growth	5.76	6.27
LifeStrategy Income	19.69	24.79
LifeStrategy Moderate Growth	10.79	12.55
Long-Term Bond Index	31.82	41.94
Long-Term Investment-Grade	4.48	6.72
Long-Term Treasury**, †	95.22	93.45
Long-Term Treasury Index**, †	99.90	99.97
Managed Payout	2.46	12.12
Mortgage-Backed Securities Index	1.78	2.67
Prime Money Market	29.98	37.34
Selected Value	2.18	2.52
Short-Term Bond Index**	57.61	66.50
Short-Term Federal	50.48	31.86
Short-Term Inflation-Protected Securities Index**, †	99.43	99.31
Short-Term Investment-Grade	7.88	6.13
Short-Term Treasury**, †	93.39	94.61
Short-Term Treasury Index**, †	99.83	99.69
STAR®	3.27	2.30
Target Retirement 2015	24.68	28.91
Target Retirement 2020	17.24	20.33
Target Retirement 2025	10.78	12.34
Target Retirement 2030	8.84	10.05
Target Retirement 2035	6.86	7.74
Target Retirement 2040	4.87	5.40
Target Retirement 2045	3.17	3.29
Target Retirement 2050	3.08	3.28
Target Retirement 2055	3.04	3.28
Target Retirement 2060	3.02	3.31
Target Retirement 2065	2.83	3.28
Target Retirement Income	26.64	33.00
Total Bond Market Index	35.26	42.56
Total Bond Market II Index	35.94	43.73
Total World Bond ETF	12.44	21.09
Treasury Money Market Fund**, †	97.79	94.75
U.S. Growth	3.57	1.19
Ultra-Short-Term Bond	4.42	6.26
Wellesley® Income	4.62	5.03
Wellington™	4.51	4.41

* This information applies to all share classes of a fund, including ETFs.

** 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."