Vanguard®

Vanguard Total International Bond Index Fund

Bond fund | Institutional Shares

Fund facts

Total net assets	Expense ratio as of 02/27/26	Ticker symbol	Turnover rate	Inception date	Fund number
$16,113 MM	0.03%	VTIFX	23.0%	05/31/13	2011

Investment objective

Vanguard Total International Bond Index Fund seeks to track the performance of a US dollar hedged benchmark index that measures the investment return of investment-grade bonds issued outside of the United States.

Investment strategy

The fund employs an indexing investment approach designed to track the performance of the Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), a broad-based measure of the global, investment-grade, fixed-rate debt markets. The index includes government, government agency, corporate, and securitized non-U.S. investment-grade fixed income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year. The index is capped, which means that its exposure to any particular bond issuer is limited to a maximum of 20%. Additionally, issuers that individually constitute 5% or more of the index may not constitute, in the aggregate, more than 48% of the index. If the index, as constituted based on market weights would exceed the 20% or 48% limit, the excess is reallocated to bonds of other issuers represented in the index. To minimize the currency risk associated with investment in bonds denominated in currencies other than the U.S. dollar, the fund will attempt to hedge its currency exposures. The fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full index in terms of key risk factors and other characteristics. All of the fund's investments will be selected through the sampling process, and at least 80% of the fund's assets will be invested in bonds included in the index.

Benchmark

Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged

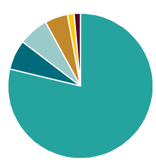
Total returns

Periods ended June 30, 2026

	Quarter	Year to date	One year	Three years	Five years	Ten years
Fund	1.70%	1.27%	2.42%	4.32%	0.48%	1.67%
Benchmark	1.91%	1.39%	2.59%	4.42%	0.55%	1.78%

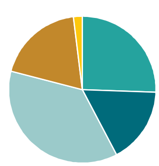
The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance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



Foreign	78.8%	Asset-Backed	5.1
Finance	6.6	Utilities	1.5
Industrial	6.6	Other	1.4

Distribution by credit quality†



AAA	25.6%	BBB	18.9
AA	16.7	Not rated	2.0
A	36.8		

†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 internal money market funds, derivatives, and futures. 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 either obtained from Bloomberg using ratings derived from Moody's Investors Service (Moody's), Fitch Ratings (Fitch), and Standard & Poor's (S&P), or directly from Moody's and S&P. Credit-quality ratings obtained from Bloomberg use the following methodologies: When ratings from all three agencies are available, the median rating is used; when ratings from only two of the agencies are available, the lower rating is used; and when one rating is available, that rating is used. Credit-quality ratings obtained directly from Moody's and S&P use the higher rating for each issue. Exposures are calculated using investment book of record positions, which is based on when transactions occur, not when they settle, which can lead to the appearance of temporary negative cash balances or gross exposures greater than 100%.

Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged: Includes government, government agency, corporate, and securitized non-U.S. investment grade fixed-income investments, all issued in currencies other than the U.S. dollar and with maturities of more than one year.

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Portfolio management

Vanguard Fixed Income Group

Joshua C. Barrickman, CFA, Principal, Co-Head of Fixed Income Indexing Americas

- Portfolio manager.
- Advised the fund since 2013.
- Worked in investment management since 1999.
- B.S., Ohio Northern University.
- M.B.A., Lehigh University.

Tara Talone, CFA

- Portfolio manager.
- Advised the fund since 2022.
- Worked in investment management since 2008.
- B.S., Saint Joseph's University.
- M.B.A., The Wharton School of the University of Pennsylvania.

Market allocation–bonds

France	12.0%	Canada	7.1
Japan	10.7	Supranational	5.4
Germany	10.2	Spain	5.4
United Kingdom	8.0	Australia	3.9
Italy	8.0	United States	3.3

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Plain talk about risk

As with any investment, an investment in the fund could lose money over any time period. The fund's share price and total return may fluctuate, potentially within a wide range. The principal risks of investing in the fund are summarized below. Each of the following risks could affect the fund's performance:

General Market Risk. The markets in which the fund invests can be affected by a variety of factors. These factors, which can be real or perceived, may include economic, market, political, and regulatory conditions and developments as well as local, regional, or global events such as wars, military conflicts, natural disasters, and public health issues. In addition, investor sentiment and expectations regarding these factors can also impact the markets. Different parts of the market, including different industries and sectors as well as different types of securities, may react differently to factors that affect the market. These factors can contribute to market uncertainty, market volatility, and fluctuations in the value of the fund's investments, thereby resulting in potential losses to the fund over short or long periods.

Investing in Foreign Markets. Foreign markets can perform differently than U.S. markets. World events could adversely affect the value and/or liquidity of securities of foreign companies or foreign issuers, potentially in ways that differ from impacts to U.S. companies or issuers. Further, global economies and financial markets are becoming increasingly interconnected, which increases the possibility that conditions in one country or region could adversely impact a different country or region. In addition, the rights and remedies associated with investments in a fund that invests in foreign securities may be different than a fund that invests in domestic securities. To the extent that the fund invests a large portion of its assets in securities of issuers located primarily in one country or region, the fund's performance may be hurt disproportionately by the poor performance of its investments in such country or region.

Investing in Emerging Markets. Investments in emerging markets are subject to higher degrees of risk and volatility than investments in developed markets. Compared with developed markets, emerging markets can have greater custodial and operational risks; less developed legal, tax, regulatory, financial reporting, accounting, and recordkeeping systems; and greater political, social, and economic instability than developed markets. In addition, emerging markets generally have less efficient trading markets with lower overall liquidity and more volatile currency exchange rates. Each of these risks can cause losses to the fund's investments and/or impact the fund's performance.

Currency Risk. The fund is subject to the risk that foreign currency will perform differently than U.S. dollars and increase the potential loss to the fund. Currency exchange rates may be volatile, move rapidly, and change as a result of changes in interest rates, inflation rates, government surpluses or deficits, and monetary policy or currency controls imposed by local governments or supranational entities such as the International Monetary fund. Changes in currency exchange rates can affect the value of the fund's holdings.

Currency Hedging. The fund may attempt to offset currency risk through a hedging strategy; however, by doing so, the fund may not be able to capture gains that it could otherwise realize if it did not have a hedging strategy. It generally is not possible to perfectly hedge the risk posed by foreign currency exposure. Hedging transactions can increase transaction costs and subject the fund to the risk that a counterparty is unable to fulfill its contractual obligation, in which case the fund could be subject to additional loss.

Investing in Bond Markets. The fund may be impacted by the general condition of the bond markets and by factors that affect bonds and bond issuers. For example, as a general rule, bond prices and interest rates move in opposite directions. When interest rates rise, bond prices tend to fall, and when interest rates fall, bond prices tend to go up. Bond income also is affected by changes in interest rates. Interest rates can rise or fall for a number of reasons, including, but not limited to, central bank monetary policy, inflationary or deflationary pressures, and changes in general market and economic conditions. Changing interest rates, including, but not limited to, rates that fall below zero, could have unpredictable effects on the overall market and may expose the bond markets in particular to heightened volatility and potential illiquidity. The degree to which the fund is impacted by certain bond market risks may vary based on factors disclosed in its principal investment strategies, such as the types of bonds in which it invests and the overall credit quality, average maturity, and/or average duration of its bond holdings.

Interest Rate Risk. During periods of rising interest rates, bond prices overall may decline, which could result in a decline in the fund's value. The prices of longer-term bonds are more sensitive to changes in interest rates than the prices of shorter-term bonds.

Income Risk. During periods of falling interest rates, the fund's income may decline. The income paid by shorter-term bonds is subject to a higher degree of fluctuation than the income paid by longer-term bonds.

Credit Risk. Credit risk refers to the chance that an issuer will default (fail to meet its credit obligations) or fail to make payments in a timely manner, which could result in a loss to the fund. In addition, negative perceptions of an issuer's ability to make payments can cause the price of a security to decline. While all debt securities are subject to credit risk to some extent, those with higher credit quality ratings generally pose less credit risk than those with lower credit quality ratings.

Bond Liquidity Risk. If the fund is unable to sell a security at an advantageous time or price, its returns may be reduced. There may be limited trading in the secondary market for certain debt securities, which could make them more difficult to value or sell.

Call Risk. Certain bonds held by the fund may be callable. The issuer of a callable bond has the right to "call" (redeem) the bond before its maturity date. Calls on bonds held by the fund would result in the fund losing any price appreciation above the bond's call price. In addition, because bond calls occur more frequently during periods of falling interest rates, the fund likely would be forced to reinvest the proceeds of any called bonds at a lower interest rate than that of the called bonds, resulting in a decline in the fund's income and a potential loss in the value of the fund's investments. Frequent bond calls and subsequent reinvestments of the proceeds also would increase the fund's turnover rate.

Index Investing. The fund is subject to risks associated with index investing. Because the fund generally seeks to track the performance of the Target index regardless of how the Target index is performing, the fund's performance may be lower than it would be if it were actively managed. Additionally, because the fund does not hold all of the securities included in the Target index, it is subject to the risk that the representative sample of securities selected by the advisor will, in the aggregate, vary from the investment profile of the full Target index.The performance of the fund's investments, in the aggregate, may not match the investment performance of the Target index. This risk, known as tracking error risk, may be heightened during times of increased market volatility or under other unusual market conditions. The fund also could be negatively impacted by changes to the Target index made by the index Provider or by errors made by the index Provider. Any gains, losses, or costs associated with or resulting from an error made by the index Provider will generally be borne by the fund and, as a result, the fund's shareholders.

Nondiversification. By tracking its broad-based Target index, the fund could become nondiversified, as defined under the Investment Company Act of 1940, due to events such as an index rebalance or market movement. The performance of nondiversified funds may be negatively impacted by relatively few securities or even a single security and their shares may experience significant fluctuations in value.

Investing in Derivatives. Investing in derivatives may present risks different from, and/or greater than, those associated with investing directly in stocks, bonds, or other types of investments. Derivatives could expose the fund to increased volatility and/or significant loss. Certain derivatives have an inherent leverage component, providing the fund exposure to a sizable position in an underlying asset with a relatively small upfront investment at the time the fund enters into the derivatives position. For these derivatives, an adverse change in the value or price of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself. Some derivatives require the fund to enter into a contract with a counterparty. If the counterparty is unable or unwilling to fulfill its contractual obligation, the fund may experience a loss. A liquid market may not always exist for the fund's derivatives positions. The fund may be unable to sell or otherwise exit its derivatives position at desired times or prices, which could also result in a loss to the fund. Some derivatives, particularly OTC derivatives, can be complex and often are valued subjectively. Valuation may be more difficult in times of market turmoil since many investors and

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market makers may be reluctant to purchase complex instruments or quote prices for them. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the fund.
Derivatives may not perform as intended, which may result in losses to the fund. For example, derivatives used for hedging or as a substitute for a portfolio instrument may not provide the expected benefits, particularly during adverse market conditions. The use of derivatives is also subject to legal risk, which includes the risk of loss resulting from insufficient or unenforceable contractual documentation, insufficient capacity or authority of the fund's counterparty, and operational risk, which includes documentation or settlement issues, system failures, inadequate controls, and human error.

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 for your employer plans or contact Participant Services at 800-523-1188 for additional information.

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