



Vanguard Long-Term Bond Fund announces fee change to mutual fund share classes

Dear Shareholder,

Vanguard today filed with the SEC a supplement to the registration statement for Vanguard Long-Term Bond Index Fund to reflect the addition of a 0.5% purchase fee for the fund's Admiral™, Investor, Institutional, and Institutional Plus share classes (mutual fund share classes) effective July 10, 2019. All purchase and exchange transactions in the fund's mutual fund share classes processed with a trade date of July 10, 2019, and after, including those submitted after 4 p.m. Eastern time on July 9, 2019, will be subject to the fee.

Since the current 403(b) recordkeeping system is not able to charge a purchase fee, you will no longer be able to make new purchase and exchange transactions in the fund through your retirement plan beginning on or about July 3, 2019. The fund is still open for new investments outside of your retirement plan.

The purchase fee is being added to offset certain transaction costs generated from investing new cash flows into the fund. This fee is not a sales charge or load, because it is paid directly to the fund to offset the transaction costs of purchasing certain securities. This fee is separate from, and in addition to, other expenses charged by the fund. For more information, please consult the fund's prospectus.

What you can do

If you are currently contributing to the Long-Term Bond Index Fund through your retirement plan, you must take action by 4 p.m. Eastern time on Tuesday, July 2nd to change how you direct your future contributions. You can change how you direct your contributions by following the steps below:

- Log on to **vanguard.com**
- Go to the "Balances and Holdings" page
- Click on the "Go to my 403(b) plan for details" link
- On the My Dashboard page, click Shortcuts in the right hand corner of the screen
- Click Explore My Options then My Own Investment Choices
- Click Future Investment Elections
- Enter New Investment Allocations that equal 100%
- Click Continue and follow remaining steps

If you take no action, you will remain invested in the fund, but future retirement plan contributions directed to the Long-Term Bond Index Fund will be moved to the plan's default fund on record, or if none, to the default fund under the terms of the 403(b) Custodial Account Agreement (Vanguard Institutional Target Retirement Fund) on or about Wednesday, July 3, 2019.

Key Dates

- **July 2, 2019.** By 4 p.m. Eastern time, you must redirect your contributions to another fund available in your plan or your contributions will be moved to the plan's default fund, or if none, to the default under the terms of the 403(b) Custodial Account Agreement (Vanguard Institutional Target Retirement Fund).
- **On or about July 3, 2019.** The fund will no longer be available through your 403(b) plan for new purchases and contributions or exchanges.
- **On July 10, 2019.** The 0.5% purchase fee becomes effective for new purchases and exchanges into the fund's mutual fund share classes.



The purchase fee will not apply in the following circumstances:

- Purchases of shares through reinvested dividends or capital gains distributions.
- Share transfers, rollovers, or reregistrations within the same fund.
- Conversions from one share class to another in the same fund.
- In kind purchases.
- Rollovers to an IRA within the same Vanguard fund for plans in which Vanguard serves as recordkeeper.

Vanguard will continue to monitor the circumstances affecting the fund's expenses and transaction costs and will recommend changes that are in the best long-term interests of our shareholders. Vanguard would consider lowering or eliminating the purchase fee should these costs decrease over time.

We thank you for your confidence in Vanguard. If you have additional questions, call Participant Services at 800-569-4903 Monday through Friday from 8 a.m. to 8 p.m. Eastern time.

Thank you for belonging to the Vanguard community of investors.

Sincerely,

Vanguard 403(b) Services

Legal notices

For more information about Vanguard funds, visit institutional.vanguard.com or call 800-569-4903 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 the possible loss of the money you invest.

Investments in bonds are subject to interest rate, credit, and inflation risk, among other risks.

© 2019 The Vanguard Group, Inc. All rights reserved. Vanguard Marketing Corporation, Distributor. The material in this message is promotional in nature.