



U.S. government obligations information

Important tax information for 2014

This tax update contains information to help you properly report your state and local tax liability on income distributions you received from your mutual fund investments in 2014.

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 two columns:

- **Column 1. Percentage of the fund's total *income* derived from U.S. government obligations in 2014.** Check with your state or local tax office or with your tax advisor to determine whether your state allows you to exclude some or all of the income you earn from mutual funds that invest in U.S. government obligations. If your state allows an exclusion, refer to this column for the percentage of income that may be excluded for each fund in which you're invested.²
- **Column 2. Percentage of the fund's *assets* invested in U.S. government obligations as of December 31, 2014.** Certain states and municipalities require residents to pay intangible or personal property tax. If you're required to pay either of these taxes, refer to this column for the percentage that may be excluded from these taxes for each fund in which you're invested.

If you have questions, call us at **877-662-7447** on business days from 8 a.m. to 10 p.m. or on Saturdays from 9 a.m. to 4 p.m., Eastern time. Our investment professionals can't provide tax advice; consult a qualified tax professional if your tax situation is complex or if you're uncertain about the interpretation of a specific IRS rule. You can also find a broad array of general tax-preparation data and tools at vanguard.com/taxinfo.

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¹Investments 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 aren't U.S. government obligations.

²The percentages provided apply only to income distributions (dividends); they don't apply to capital gains distributions (whether long-term or short-term).