



Vanguard Target Retirement 2005 Fund

Supplement to the Prospectus Dated January 26, 2012

Reorganization of Vanguard Target Retirement 2005 Fund into Vanguard Target Retirement Income Fund

Effective as of the close of business on February 10, 2012, the reorganization of Vanguard Target Retirement 2005 Fund into Vanguard Target Retirement Income Fund is complete. Any references to the Target Retirement 2005 Fund in this prospectus are hereby deleted.



Vanguard Target Retirement Funds Prospectus

January 26, 2012

Investor Shares

Vanguard Target Retirement Income Fund Investor Shares (VTINX)

Vanguard Target Retirement 2005 Fund Investor Shares (VTOVX)

Vanguard Target Retirement 2010 Fund Investor Shares (VTENX)

Vanguard Target Retirement 2015 Fund Investor Shares (VTXVX)

Vanguard Target Retirement 2020 Fund Investor Shares (VTWNX)

Vanguard Target Retirement 2025 Fund Investor Shares (VTTVX)

Vanguard Target Retirement 2030 Fund Investor Shares (VTHR X)

Vanguard Target Retirement 2035 Fund Investor Shares (VTTHX)

Vanguard Target Retirement 2040 Fund Investor Shares (VFORX)

Vanguard Target Retirement 2045 Fund Investor Shares (VTIVX)

Vanguard Target Retirement 2050 Fund Investor Shares (VFIFX)

Vanguard Target Retirement 2055 Fund Investor Shares (VFFVX)

Vanguard Target Retirement 2060 Fund Investor Shares (VTTSX)

This prospectus contains financial data for the Funds through the fiscal year ended September 30, 2011.

The Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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Vanguard Target Retirement Income Fund

Investment Objective

The Fund seeks to provide current income and some capital appreciation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.17% |
| Total Annual Fund Operating Expenses | 0.17% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$17 | \$55 | \$96 | \$217 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 14%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Bond Market II Index Fund 45.5%
- Vanguard Total Stock Market Index Fund 20.7%
- Vanguard Inflation-Protected Securities Fund 20.0%
- Vanguard Total International Stock Index Fund 8.8%
- Vanguard Prime Money Market Fund 5.0%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds; inflation-indexed bonds issued by the U.S. government; and mortgage-backed securities.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect short-term investments consist of high-quality, short-term money market instruments.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. However, because bonds and short-term investments usually are less volatile than stocks, and because the Fund invests most of its assets in bonds and short-term investments, the Fund's overall level of risk should be low to moderate.

- With approximately 70% of its assets allocated to bonds and money market instruments, the Fund is proportionately subject to the following risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that an underlying fund's income will decline because of falling interest rates or declining inflation; *credit risk*, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline, thus reducing an underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. An underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.
- With approximately 30% of its assets allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.

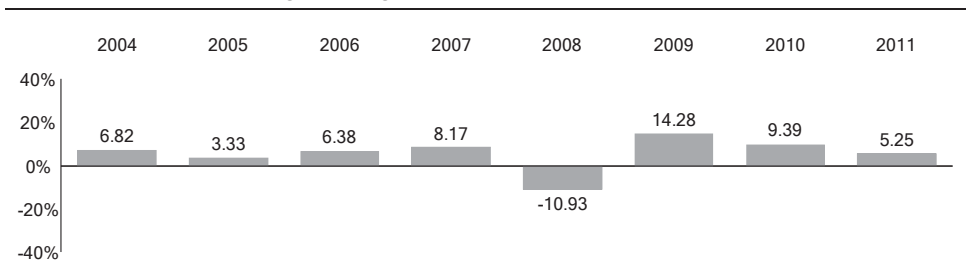
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement Income Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 7.44% (quarter ended September 30, 2009), and the lowest return for a quarter was -5.47% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Oct. 27, 2003) |
|---|--------|---------|--|
| Vanguard Target Retirement Income Fund Investor Shares | | | |
| Return Before Taxes | 5.25% | 4.86% | 5.30% |
| Return After Taxes on Distributions | 4.30 | 3.80 | 4.16 |
| Return After Taxes on Distributions and Sale of Fund Shares | 3.52 | 3.58 | 3.93 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| Barclays Capital U.S. Aggregate Bond Index | 7.84% | 6.50% | 5.48% |
| Dow Jones U.S. Total Stock Market Index | 0.52 | 0.28 | 5.26 |
| MSCI US Broad Market Index | 1.08 | 0.29 | 5.25 |
| Target Income Composite Index | 5.30 | 4.77 | 5.28 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2003.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2005 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.17% |
| Total Annual Fund Operating Expenses | 0.17% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$17 | \$55 | \$96 | \$217 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 27%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors who have retired and left the work force in 2005 (the target year) or within a few years thereof. The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bond and other fixed income investments will increase. Within seven years after 2005, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Bond Market II Index Fund 44.8%
- Vanguard Total Stock Market Index Fund 22.2%
- Vanguard Inflation-Protected Securities Fund 19.0%
- Vanguard Total International Stock Index Fund 9.5%
- Vanguard Prime Money Market Fund 4.5%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds; inflation-indexed bonds issued by the U.S. government; and mortgage-backed securities.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. However, because bonds usually are less volatile than stocks, and because the Fund currently invests approximately half of its assets in fixed income securities, the Fund's overall level of risk should be moderate.

- With approximately 68% of its assets currently allocated to bonds and money market instruments, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that an underlying fund's income will decline because of falling interest rates or declining inflation; *credit risk*, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline, thus reducing an underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. An underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.
- With approximately 32% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S.

dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.

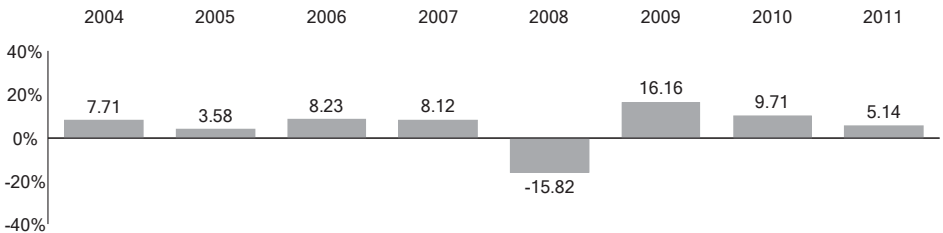
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2005 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 8.50% (quarter ended September 30, 2009), and the lowest return for a quarter was -7.93% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Oct. 27, 2003) |
|---|--------|---------|--|
| Vanguard Target Retirement 2005 Fund Investor Shares | | | |
| Return Before Taxes | 5.14% | 4.05% | 5.32% |
| Return After Taxes on Distributions | 4.21 | 3.09 | 4.38 |
| Return After Taxes on Distributions and Sale of Fund Shares | 3.46 | 2.95 | 4.09 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| Barclays Capital U.S. Aggregate Bond Index | 7.84% | 6.50% | 5.48% |
| Dow Jones U.S. Total Stock Market Index | 0.52 | 0.28 | 5.26 |
| MSCI US Broad Market Index | 1.08 | 0.29 | 5.25 |
| Target 2005 Composite Index | 4.94 | 4.01 | 5.35 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2003.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2010 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.17% |
| Total Annual Fund Operating Expenses | 0.17% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$17 | \$55 | \$96 | \$217 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 27%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2010 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2010, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Bond Market II Index Fund 41.4%
- Vanguard Total Stock Market Index Fund 32.0%
- Vanguard Total International Stock Index Fund 13.9%
- Vanguard Inflation-Protected Securities Fund 11.8%
- Vanguard Prime Money Market Fund 0.9%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds; inflation-indexed bonds issued by the U.S. government; and mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. However, because bonds usually are less volatile than stocks, and because the Fund currently invests a significant portion of its assets in fixed income securities, the Fund's overall level of risk should be moderate.

- With approximately 46% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 54% of its assets currently allocated to bonds and money market instruments, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates or declining inflation; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. An underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower

interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

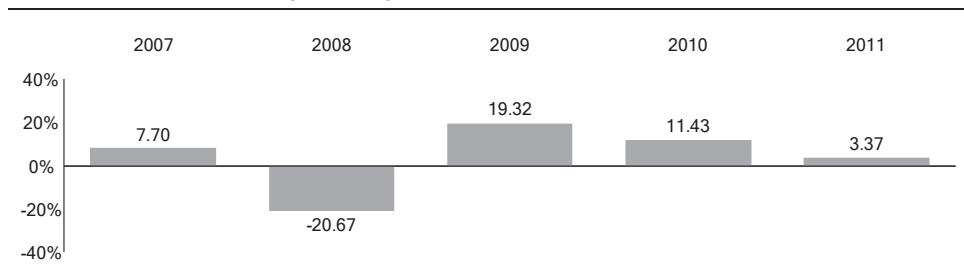
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2010 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 10.55% (quarter ended June 30, 2009), and the lowest return for a quarter was -10.63% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Jun. 7, 2006) |
|---|--------|---------|---|
| Vanguard Target Retirement 2010 Fund Investor Shares | | | |
| Return Before Taxes | 3.37% | 3.26% | 4.72% |
| Return After Taxes on Distributions | 2.56 | 2.50 | 3.99 |
| Return After Taxes on Distributions and Sale of Fund Shares | 2.37 | 2.41 | 3.69 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| MSCI US Broad Market Index | 1.08% | 0.29% | 2.58% |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 6.71 |
| Target 2010 Composite Index | 3.20 | 3.20 | 4.65 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2006.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2015 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.17% |
| Total Annual Fund Operating Expenses | 0.17% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$17 | \$55 | \$96 | \$217 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 27%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2015 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2015, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Bond Market II Index Fund 40.7%
- Vanguard Total Stock Market Index Fund 39.8%
- Vanguard Total International Stock Index Fund 17.0%
- Vanguard Inflation-Protected Securities Fund 2.5%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds; inflation-indexed bonds issued by the U.S. government; and mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests more of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 57% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 43% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any

price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

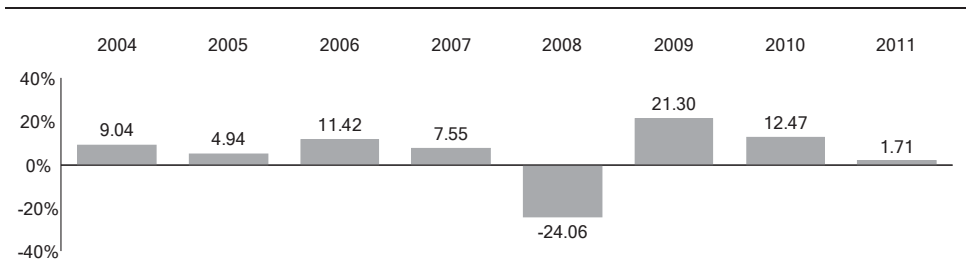
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2015 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 12.21% (quarter ended June 30, 2009), and the lowest return for a quarter was -12.54% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Oct. 27, 2003) |
|---|--------|---------|--|
| Vanguard Target Retirement 2015 Fund Investor Shares | | | |
| Return Before Taxes | 1.71% | 2.54% | 5.22% |
| Return After Taxes on Distributions | 0.99 | 1.79 | 4.50 |
| Return After Taxes on Distributions and Sale of Fund Shares | 1.33 | 1.81 | 4.17 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| Dow Jones U.S. Total Stock Market Index | 0.52% | 0.28% | 5.26% |
| MSCI US Broad Market Index | 1.08 | 0.29 | 5.25 |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 5.48 |
| Target 2015 Composite Index | 1.48 | 2.41 | 5.16 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2003.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2020 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.17% |
| Total Annual Fund Operating Expenses | 0.17% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$17 | \$55 | \$96 | \$217 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 23%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2020 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2020, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 45.6%
- Vanguard Total Bond Market II Index Fund 34.9%
- Vanguard Total International Stock Index Fund 19.5%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests more of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 65% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 35% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

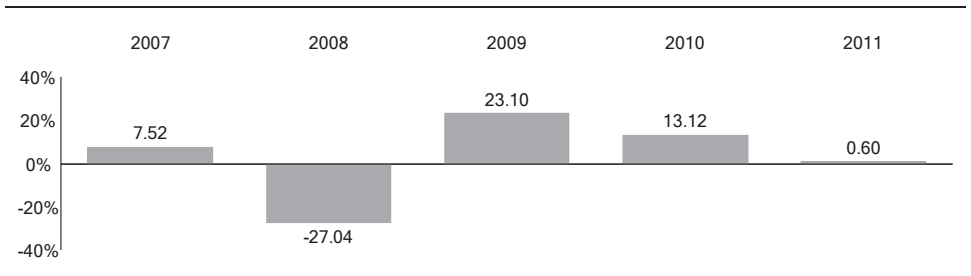
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2020 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 13.49% (quarter ended June 30, 2009), and the lowest return for a quarter was -14.51% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Jun. 7, 2006) |
|---|--------|---------|---|
| Vanguard Target Retirement 2020 Fund Investor Shares | | | |
| Return Before Taxes | 0.60% | 1.91% | 3.80% |
| Return After Taxes on Distributions | -0.02 | 1.32 | 3.23 |
| Return After Taxes on Distributions and Sale of Fund Shares | 0.63 | 1.37 | 3.01 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| MSCI US Broad Market Index | 1.08% | 0.29% | 2.58% |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 6.71 |
| Target 2020 Composite Index | 0.94 | 1.93 | 3.84 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2006.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2025 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.18% |
| Total Annual Fund Operating Expenses | 0.18% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$18 | \$58 | \$101 | \$230 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 23%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2025 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2025, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 50.9%
- Vanguard Total Bond Market II Index Fund 27.4%
- Vanguard Total International Stock Index Fund 21.7%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests more of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 73% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 27% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

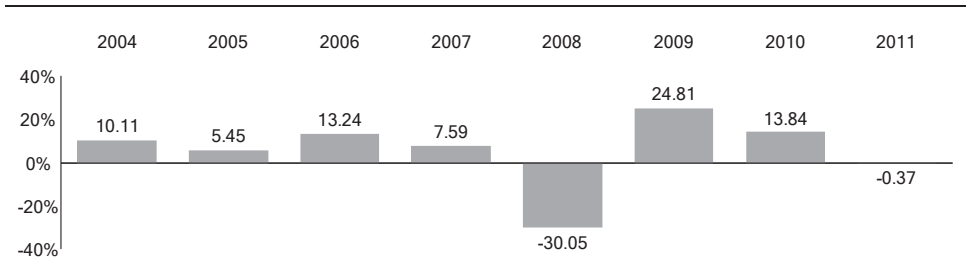
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2025 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 14.84% (quarter ended June 30, 2009), and the lowest return for a quarter was -16.48% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Oct. 27, 2003) |
|---|--------|---------|------------------------------------|
| Vanguard Target Retirement 2025 Fund Investor Shares | | | |
| Return Before Taxes | -0.37% | 1.27% | 4.92% |
| Return After Taxes on Distributions | -0.94 | 0.70 | 4.34 |
| Return After Taxes on Distributions and Sale of Fund Shares | 0.03 | 0.85 | 4.02 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| Dow Jones U.S. Total Stock Market Index | 0.52% | 0.28% | 5.26% |
| MSCI US Broad Market Index | 1.08 | 0.29 | 5.25 |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 5.48 |
| Target 2025 Composite Index | 0.02 | 1.31 | 4.96 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2003.

Purchase and Sale of Fund Shares

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| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2030 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.18% |
| Total Annual Fund Operating Expenses | 0.18% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$18 | \$58 | \$101 | \$230 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 19%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2030 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2030, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 56.2%
- Vanguard Total International Stock Index Fund 24.0%
- Vanguard Total Bond Market II Index Fund 19.8%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests more of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 80% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 20% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

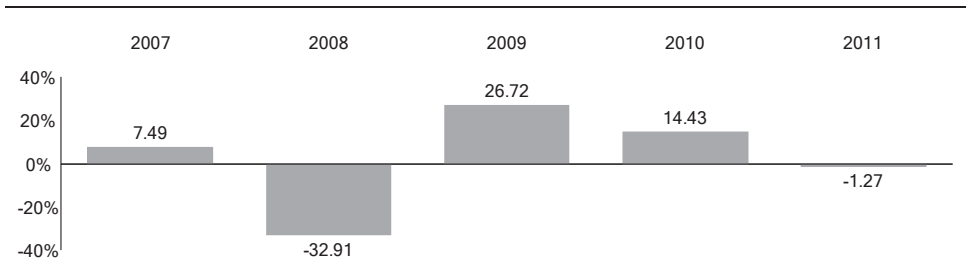
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2030 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 16.23% (quarter ended June 30, 2009), and the lowest return for a quarter was -18.45% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Jun. 7, 2006) |
|---|--------|---------|---|
| Vanguard Target Retirement 2030 Fund Investor Shares | | | |
| Return Before Taxes | -1.27% | 0.64% | 2.92% |
| Return After Taxes on Distributions | -1.77 | 0.19 | 2.47 |
| Return After Taxes on Distributions and Sale of Fund Shares | -0.54 | 0.39 | 2.35 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| MSCI US Broad Market Index | 1.08% | 0.29% | 2.58% |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 6.71 |
| Target 2030 Composite Index | -0.94 | 0.68 | 2.98 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2006.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2035 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.19% |
| Total Annual Fund Operating Expenses | 0.19% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$19 | \$61 | \$107 | \$243 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 18%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2035 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2035, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 61.6%
- Vanguard Total International Stock Index Fund 26.3%
- Vanguard Total Bond Market II Index Fund 12.1%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests more of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 88% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 12% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

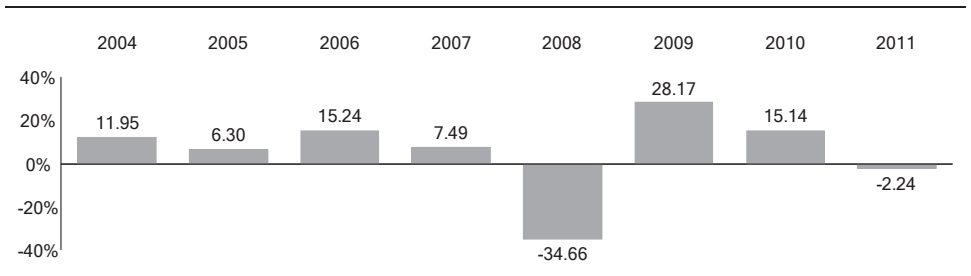
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2035 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 17.27% (quarter ended June 30, 2009), and the lowest return for a quarter was -19.72% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Oct. 27, 2003) |
|---|--------|---------|--|
| Vanguard Target Retirement 2035 Fund Investor Shares | | | |
| Return Before Taxes | -2.24% | 0.27% | 4.97% |
| Return After Taxes on Distributions | -2.69 | -0.19 | 4.51 |
| Return After Taxes on Distributions and Sale of Fund Shares | -1.14 | 0.09 | 4.17 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| Dow Jones U.S. Total Stock Market Index | 0.52% | 0.28% | 5.26% |
| MSCI US Broad Market Index | 1.08 | 0.29 | 5.25 |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 5.48 |
| Target 2035 Composite Index | -1.91 | 0.29 | 5.04 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2003.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2040 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.19% |
| Total Annual Fund Operating Expenses | 0.19% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$19 | \$61 | \$107 | \$243 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 15%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2040 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2040, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 62.9%
- Vanguard Total International Stock Index Fund 26.9%
- Vanguard Total Bond Market II Index Fund 10.2%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests more of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 90% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 10% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

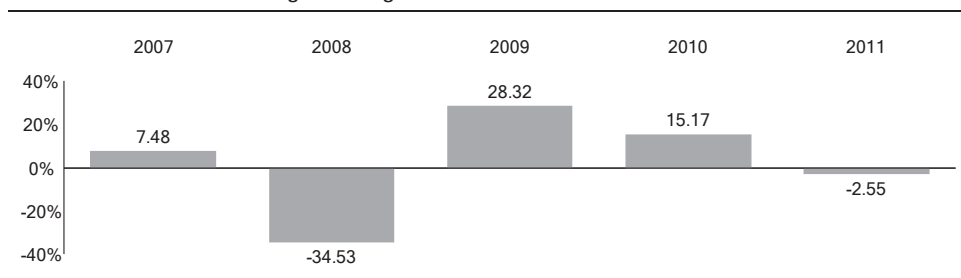
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2040 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 17.13% (quarter ended June 30, 2009), and the lowest return for a quarter was -19.62% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Jun. 7, 2006) |
|---|--------|---------|---|
| Vanguard Target Retirement 2040 Fund Investor Shares | | | |
| Return Before Taxes | -2.55% | 0.27% | 2.50% |
| Return After Taxes on Distributions | -2.97 | -0.15 | 2.08 |
| Return After Taxes on Distributions and Sale of Fund Shares | -1.34 | 0.10 | 2.01 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| MSCI US Broad Market Index | 1.08% | 0.29% | 2.58% |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 6.71 |
| Target 2040 Composite Index | -2.11 | 0.26 | 2.52 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2006.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2045 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.19% |
| Total Annual Fund Operating Expenses | 0.19% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$19 | \$61 | \$107 | \$243 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 16%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2045 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2045, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 62.8%
- Vanguard Total International Stock Index Fund 27.0%
- Vanguard Total Bond Market II Index Fund 10.2%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests most of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 90% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in any one country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 10% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

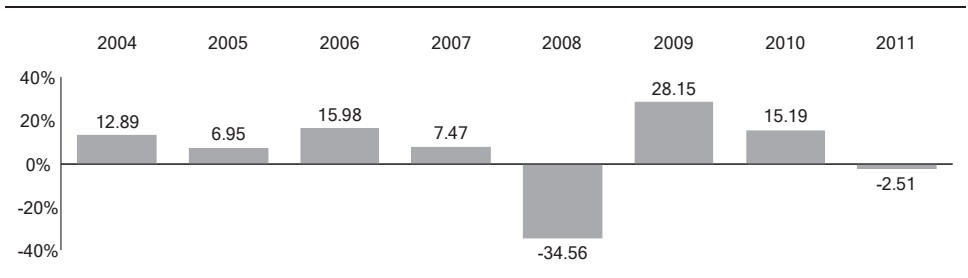
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2045 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 17.15% (quarter ended June 30, 2009), and the lowest return for a quarter was -19.65% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Oct. 27, 2003) |
|---|--------|---------|--|
| Vanguard Target Retirement 2045 Fund Investor Shares | | | |
| Return Before Taxes | -2.51% | 0.24% | 5.32% |
| Return After Taxes on Distributions | -2.95 | -0.23 | 4.88 |
| Return After Taxes on Distributions and Sale of Fund Shares | -1.31 | 0.06 | 4.49 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| Dow Jones U.S. Total Stock Market Index | 0.52% | 0.28% | 5.26% |
| MSCI US Broad Market Index | 1.08 | 0.29 | 5.25 |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 5.48 |
| Target 2045 Composite Index | -2.11 | 0.26 | 5.39 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2003.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2050 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.19% |
| Total Annual Fund Operating Expenses | 0.19% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$19 | \$61 | \$107 | \$243 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 15%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2050 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2050, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 62.7%
- Vanguard Total International Stock Index Fund 27.1%
- Vanguard Total Bond Market II Index Fund 10.2%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests most of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 90% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in a particular country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 10% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

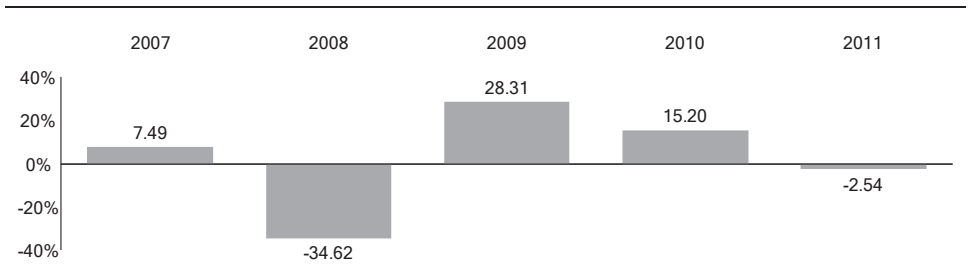
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2050 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 17.23% (quarter ended June 30, 2009), and the lowest return for a quarter was -19.71% (quarter ended December 31, 2008).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | 5 Years | Since Inception (Jun. 7, 2006) |
|---|--------|---------|---|
| Vanguard Target Retirement 2050 Fund Investor Shares | | | |
| Return Before Taxes | -2.54% | 0.25% | 2.58% |
| Return After Taxes on Distributions | -2.96 | -0.20 | 2.13 |
| Return After Taxes on Distributions and Sale of Fund Shares | -1.34 | 0.08 | 2.07 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | | |
| MSCI US Broad Market Index | 1.08% | 0.29% | 2.58% |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 6.50 | 6.71 |
| Target 2050 Composite Index | -2.11 | 0.26 | 2.61 |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* will be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2006.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2055 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|--------------------------------------|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.19% |
| Total Annual Fund Operating Expenses | 0.19% |

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$19 | \$61 | \$107 | \$243 |

Portfolio Turnover

The Fund may pay transaction costs, such as purchase fees, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 12%.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2055 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2055, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. As of September 30, 2011, the Fund's asset allocation among the underlying funds was as follows:

- Vanguard Total Stock Market Index Fund 62.6%
- Vanguard Total International Stock Index Fund 27.2%
- Vanguard Total Bond Market II Index Fund 10.2%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests most of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 90% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in a particular country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 10% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the

unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.

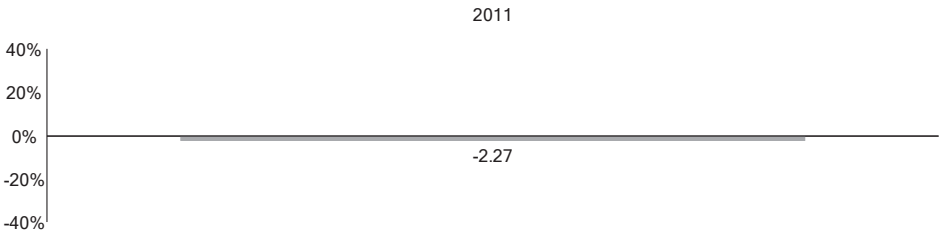
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows the performance of the Fund in its first full calendar year. The table shows how the average annual total returns compare with those of relevant market indexes and a composite bond/stock index, which have investment characteristics similar to those of the Fund. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447.

Annual Total Returns — Vanguard Target Retirement 2055 Fund Investor Shares



During the periods shown in the bar chart, the highest return for a calendar quarter was 8.87% (quarter ended December 31, 2011), and the lowest return for a quarter was -14.79% (quarter ended September 30, 2011).

Average Annual Total Returns for Periods Ended December 31, 2011

| | 1 Year | Since Inception (Aug. 18, 2010) |
|---|--------|---------------------------------|
| Vanguard Target Retirement 2055 Fund Investor Shares | | |
| Return Before Taxes | -2.27% | 8.91% |
| Return After Taxes on Distributions | -2.62 | 8.45 |
| Return After Taxes on Distributions and Sale of Fund Shares | -1.21 | 7.46 |
| Comparative Indexes (reflect no deduction for fees, expenses, or taxes) | | |
| MSCI US Broad Market Index | 1.08% | 13.30% |
| Barclays Capital U.S. Aggregate Bond Index | 7.84 | 5.16 |
| Target Retirement 2055 Composite Index | -2.11 | 8.97 |

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2010.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (vanguard.com), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Vanguard Target Retirement 2060 Fund

Investment Objective

The Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(Fees paid directly from your investment)

| | |
|--|-----------|
| Sales Charge (Load) Imposed on Purchases | None |
| Purchase Fee | None |
| Sales Charge (Load) Imposed on Reinvested Dividends | None |
| Redemption Fee | None |
| Account Service Fee (for fund account balances below \$10,000) | \$20/year |

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

| | |
|---|-------|
| Management Expenses | None |
| 12b-1 Distribution Fee | None |
| Other Expenses | None |
| Acquired Fund Fees and Expenses | 0.18% |
| Total Annual Fund Operating Expenses ¹ | 0.18% |

¹ Based on estimated amounts for the current fiscal year.

Example

The following example is intended to help you compare the cost of investing in the Fund (based on the fees and expenses of the Acquired Funds) with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Fund provides a return of 5% a year and that operating expenses of the Fund and its underlying funds remain as stated in the preceding table. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years |
|--------|---------|
| \$18 | \$58 |

Portfolio Turnover

The Fund has no operating history and therefore has no portfolio turnover information.

Primary Investment Strategies

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2060 (the target year). The Fund is designed for an investor who plans to withdraw the value of an account in the Fund gradually after the target year. The Fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. Within seven years after 2060, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. The Fund's targeted asset allocation among the underlying funds is as follows:

- Vanguard Total Stock Market Index Fund 63%
- Vanguard Total International Stock Index Fund 27%
- Vanguard Total Bond Market II Index Fund 10%

At any given time, the Fund's asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments.

The Fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.

The Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities.

Primary Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money. An investment in the Fund is not guaranteed. An investor may experience losses, including losses near, at, or after the target year. There is no guarantee that the Fund will provide adequate income at or after the target year. Because stocks usually are more volatile than bonds, and because the Fund currently invests most of its assets in stocks, the Fund's overall level of risk should be higher than that of funds that invest the majority of their assets in bonds; however, the level of risk should be lower than that of funds investing entirely in stocks.

- With approximately 90% of its assets currently allocated to stocks, the Fund is proportionately subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. The Fund is also subject to the following risks associated with investments in foreign stocks: *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in a particular country or region; and *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.
- With approximately 10% of its assets currently allocated to bonds, the Fund is proportionately subject to bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the underlying fund's income will decline because of falling interest rates; *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The Fund began operations on January 19, 2012, so performance information is not yet available.

Investment Advisor

The Vanguard Group, Inc.

Portfolio Manager

Duane Kelly, Principal of Vanguard. He has managed the Fund since its inception in 2012.

Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website (*vanguard.com*), by mail (The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

| Account Minimums | Investor Shares |
|---------------------------------|---|
| To open and maintain an account | \$1,000 |
| To add to an existing account | Generally \$100 (other than by Automatic Investment Plan, which has no established minimum) |

Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain.

Payments to Financial Intermediaries

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

Investing in Vanguard Target Retirement Funds

This prospectus provides information about the Vanguard Target Retirement Funds, a group of mutual funds that separately invest in up to five other Vanguard stock, bond, and money market mutual funds. Because they invest in other funds, rather than in individual securities, each Fund is considered a “fund of funds.”

Each Target Retirement Fund is designed to provide an investment portfolio for investors who would rather use asset allocations developed by Vanguard than try to build their own retirement investment portfolios. The Funds are constructed based on our investment experience that, over the long term, stocks generally provide greater growth opportunities and greater risk than bonds, and bonds generally provide more income and lower volatility than stocks. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The year-specific Target Retirement Funds strive to produce more income and lower volatility as the target year approaches.

The Target Retirement Funds do not provide guaranteed income or payouts, nor can they ensure that you will have assets in your account sufficient to cover your retirement expenses or that you will have enough saved to be able to retire in the target year identified in the fund name. That will depend on the amount of money you have invested in your Target Retirement Fund, the length of time you have held your investment, the returns of the markets over time, the amount you spend in retirement, and your other assets and income sources.

Once you determine your expected retirement year, you can consider choosing a Target Retirement Fund close to that date. As the target year approaches, the Funds’ asset allocations begin to shift their emphasis away from stocks and towards bond and money market investments to help provide more income and help reduce volatility. The Target Retirement Income Fund is intended for investors currently in retirement, and its asset allocation is expected to remain stable over time. Because we anticipate that you will live for many years after you retire, the Target Retirement Funds will continue to have significant investments in stocks even as you approach, and then begin, retirement.


The asset allocations Vanguard has selected for its Target Retirement Funds are based on our investment experience and are geared to the average investor. If you wish to take on less (or more) risk, you can do so by selecting Target Retirement Funds with target dates earlier (or later) than your expected retirement date.

Vanguard may change the selection of underlying funds or the allocation of assets to those funds, if we believe a change will benefit shareholders. Shareholders will be notified in advance of any future changes.

Plain Talk About “Fund of Funds”

The term “fund of funds” is used to describe a mutual fund that pursues its objective by investing in other mutual funds. A fund of funds may charge for its own direct expenses, in addition to bearing a proportionate share of the expenses charged by the underlying funds in which it invests. A fund of funds is best suited for long-term investors.

More on the Funds

This prospectus describes the primary risks you would face as a Fund shareholder. It is important to keep in mind one of the main axioms of investing: The higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: The lower the risk, the lower the potential reward. As you consider an investment in any mutual fund, you should take into account your personal tolerance for fluctuations in the securities markets. Look for this  symbol throughout the prospectus. It is used to mark detailed information about the more significant risks that you would confront as a Fund shareholder. To highlight terms and concepts important to mutual fund investors, we have provided Plain Talk® explanations along the way. Reading the prospectus will help you decide whether a Fund is the right investment for you. We suggest that you keep this prospectus for future reference.

Plain Talk About Costs of Investing

Costs are an important consideration in choosing a mutual fund. That's because you, as a shareholder, pay a proportionate share of the costs of operating a fund, plus any transaction costs incurred when the fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation a fund achieves. Even seemingly small differences in expenses can, over time, have a dramatic effect on a fund's performance.

The following sections explain the primary investment strategies and policies that each Fund uses in pursuit of its objective. The Fund's board of trustees, which oversees the Fund's management, may change investment strategies or policies in the interest of shareholders without a shareholder vote, unless those strategies or policies are designated as fundamental. As "funds of funds," the Target Retirement Funds achieve their investment objectives by investing in other Vanguard mutual funds. Because each Target Retirement Fund holds only a limited number of underlying funds, it is classified as nondiversified. However, through its investments in diversified underlying funds, each Target Retirement Fund indirectly owns a diversified portfolio of stocks and bonds.

Asset Allocation Framework

Asset allocation—that is, dividing your investment among stocks, bonds, and short-term investments—is one of the most critical decisions you can make as an investor. It is also important to recognize that the asset allocation strategy you use today may not be appropriate as you move closer to retirement. The Target Retirement Funds are designed to provide you with a single Fund whose asset allocation changes over time and becomes more conservative as you approach retirement, meaning that the

percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase.

The following table shows the targeted asset allocation for each Fund.

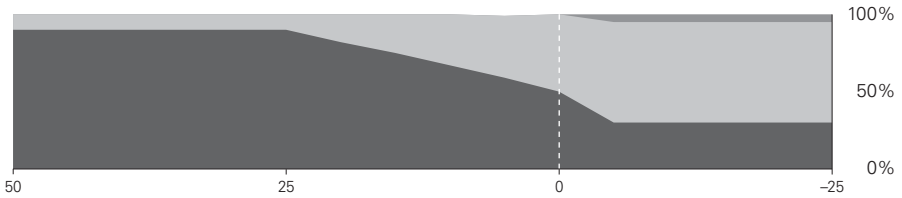
| Underlying Vanguard Fund | Target Retirement Fund | | | | | | |
|---------------------------------|-------------------------------|------|------|------|------|------|------|
| | Income | 2005 | 2010 | 2015 | 2020 | 2025 | 2030 |
| Total Stock Market Index | 21% | 23% | 32% | 40% | 46% | 51% | 57% |
| Total International Stock Index | 9 | 10 | 14 | 17 | 20 | 22 | 24 |
| Total Bond Market II Index | 45 | 44 | 41 | 40 | 34 | 27 | 19 |
| Inflation-Protected Securities | 20 | 19 | 12 | 3 | 0 | 0 | 0 |
| Prime Money Market | 5 | 4 | 1 | 0 | 0 | 0 | 0 |
| Investor's Target Age | 76 | 71 | 66 | 61 | 56 | 51 | 46 |

| Underlying Vanguard Fund | Target Retirement Fund | | | | | |
|---------------------------------|-------------------------------|------|------|------|------|------|
| | 2035 | 2040 | 2045 | 2050 | 2055 | 2060 |
| Total Stock Market Index | 62% | 63% | 63% | 63% | 63% | 63% |
| Total International Stock Index | 26 | 27 | 27 | 27 | 27 | 27 |
| Total Bond Market II Index | 12 | 10 | 10 | 10 | 10 | 10 |
| Investor's Target Age | 41 | 36 | 31 | 26 | 21 | 18 |

The Funds' advisor allocates each Fund's assets among the underlying funds based on its investment objective and policies. The asset allocation for each Fund (other than the Target Retirement Income Fund) will change over time as the date indicated in the Fund's name draws closer. Once a Fund's asset allocation is similar to that of the Target Retirement Income Fund, the Fund's board of trustees may approve combining the Fund with the Target Retirement Income Fund. The board will grant such approval if it determines the combination to be in the best interest of Fund shareholders. Once such a combination occurs, shareholders will own shares of the Target Retirement Income Fund. Shareholders will be notified prior to such a combination. We expect these combinations to occur within seven years after the year indicated in the Fund's name.

The following chart shows how we expect the asset allocations for the Funds to change over time. The actual asset allocations may differ from this chart.

An example of how fund asset allocations change over time



| | 50 Years Before Retirement | 25 Years Before Retirement | At Retirement | 25 Years After Retirement |
|--------------|----------------------------|----------------------------|---------------|---------------------------|
| Stocks | 90% | 90% | 50% | 30% |
| Fixed Income | 10% | 10% | 50% | 65% |
| Cash | 0% | 0% | 0% | 5% |

The Funds’ investments in the underlying funds may be affected by a variety of factors. For example, an underlying fund may stop accepting or may limit additional investments, forcing the Target Retirement Funds to invest in a different underlying fund.

Stocks

By owning shares of other Vanguard funds, each of the Target Retirement Funds indirectly invests, to varying degrees, in U.S. stocks, with an emphasis on large-cap stocks. To a lesser extent, the Funds also invest in funds that own mid- and small-cap U.S. stocks, as well as foreign stocks, including emerging markets.



Each Fund is subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

To illustrate the volatility of stock prices, the following table shows the best, worst, and average annual total returns for the U.S. stock market over various periods as measured by the Standard & Poor’s 500 Index, a widely used barometer of market activity. (Total returns consist of dividend income plus change in market price.) Note that the returns shown do not include the costs of buying and selling stocks or other expenses that a real-world investment portfolio would incur.

U.S. Stock Market Returns
(1926–2011)

| | 1 Year | 5 Years | 10 Years | 20 Years |
|---------|--------|---------|----------|----------|
| Best | 54.2% | 28.6% | 19.9% | 17.8% |
| Worst | -43.1 | -12.4 | -1.4 | 3.1 |
| Average | 11.7 | 9.9 | 10.5 | 11.2 |

The table covers all of the 1-, 5-, 10-, and 20-year periods from 1926 through 2011. You can see, for example, that although the average annual return on common stocks for *all* of the 5-year periods was 9.9%, average annual returns for *individual* 5-year periods ranged from -12.4% (from 1928 through 1932) to 28.6% (from 1995 through 1999). These average annual returns reflect *past* performance of common stocks; you should not regard them as an indication of *future* performance of either the stock market as a whole or the Funds in particular.

Through investments in one underlying fund (the Total Stock Market Index Fund), each Fund indirectly holds a representative sample of the stocks that make up the MSCI US Broad Market Index, which measures the investment return of the overall stock market.

Keep in mind that a portion of the market value of the MSCI US Broad Market Index (approximately 21% as of September 30, 2011) is made up of securities not included in the S&P 500 Index. These securities are overwhelmingly mid- and small-cap stocks. Historically, mid- and small-cap stocks have been more volatile than—and at times have performed quite differently from—large-cap stocks. This volatility is due to several factors, including the fact that smaller companies often have fewer customers and financial resources than larger firms. These characteristics can make medium-size and small companies more sensitive to economic conditions, leading to less certain growth and dividend prospects.

As of September 30, 2011, the stocks in the underlying *domestic* equity fund had an asset-weighted median market capitalization exceeding \$28 billion. The stocks in the underlying *international* equity fund had an asset-weighted median market capitalization exceeding \$18 billion.

By owning shares of Vanguard Total International Stock Index Fund, each Fund is subject to *country/regional risk* and *currency risk*.



Each Fund is subject to country/regional risk and currency risk. Country/regional risk is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because each Fund may invest a portion of its assets in securities located in any one country or region, the Fund’s performance may be hurt disproportionately by the poor performance of its investment in that area. Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Country/regional risk and currency risk are especially high in emerging markets.

Bonds

By owning shares of Vanguard Total Bond Market II Index Fund, each Fund indirectly invests, to varying degrees, in government and corporate bonds, as well as in mortgage-backed securities. Through their investments in Vanguard Inflation-Protected Securities Fund, the Target Retirement Income, Target Retirement 2005, Target Retirement 2010, and Target Retirement 2015 Funds also invest in inflation-indexed bonds.

Plain Talk About Inflation-Indexed Securities

Unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed security (IIS) provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level for goods and services. This adjustment is a key feature, given that inflation has typically occurred. However, there have been periods of deflation, such as in 1954 when the Consumer Price Index (CPI) declined by 0.7%. (Source: Bureau of Labor Statistics.) Importantly, in the event of deflation, the U.S. Treasury has guaranteed that it will repay at least the face value of an IIS issued by the U.S. government.

Inflation measurement and adjustment for an IIS have two important features. There is a two-month lag between the time that inflation occurs in the economy and when it is factored into IIS valuations. This is due to the time required to measure and calculate the CPI and for the Treasury to adjust the inflation accrual schedules for an IIS. For example, inflation that occurs in January is calculated and announced during February and affects IIS valuations throughout the month of March. In addition, the inflation index used is the non-seasonally adjusted index. It differs from the CPI that is reported by most news organizations, which is statistically smoothed to overcome highs and lows observed at different points each year. The use of the non-seasonally adjusted index can cause the Fund’s income level to fluctuate.



Each Fund is subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates.

Although bonds are often thought to be less risky than stocks, there have been periods when bond prices have fallen significantly because of rising interest rates.

Plain Talk About Bonds and Interest Rates


As a rule, when interest rates rise, bond prices fall. The opposite is also true: Bond prices go up when interest rates fall. Why do bond prices and interest rates move in opposite directions? Let's assume that you hold a bond offering a 4% yield. A year later, interest rates are on the rise and bonds of comparable quality and maturity are offered with a 5% yield. With higher-yielding bonds available, you would have trouble selling your 4% bond for the price you paid—you would probably have to lower your asking price. On the other hand, if interest rates were falling and 3% bonds were being offered, you should be able to sell your 4% bond for more than you paid.

How mortgage-backed securities are different: In general, declining interest rates will not lift the prices of mortgage-backed securities—such as GNMAAs—as much as the prices of comparable bonds. Why? Because when interest rates fall, the bond market tends to discount the prices of mortgage-backed securities for prepayment risk—the possibility that homeowners will refinance their mortgages at lower rates and cause the bonds to be paid off prior to maturity. In part to compensate for this prepayment possibility, mortgage-backed securities tend to offer higher yields than other bonds of comparable credit quality and maturity.


Plain Talk About Inflation-Indexed Securities and Interest Rates

Interest rates on conventional bonds have two primary components: a “real” yield and an increment that reflects investor expectations of future inflation. By contrast, interest rates on an IIS are adjusted for inflation and, therefore, aren't affected meaningfully by inflation expectations. This leaves only real rates to influence the price of an IIS. A rise in real rates will cause the price of an IIS to fall, while a decline in real rates will boost the price of an IIS.


Changes in interest rates can affect bond *income* as well as bond *prices*.

 *Each Fund is subject to income risk, which is the chance that an underlying fund's income will decline because of falling interest rates. A fund holding bonds will experience a decline in income when interest rates fall because the fund then must invest in lower-yielding bonds.*

The Target Retirement Income, Target Retirement 2005, Target Retirement 2010, and Target Retirement 2015 Funds are also subject to income fluctuations through their investments in Vanguard Inflation-Protected Securities Fund. The Inflation-Protected Securities Fund's quarterly income distributions are likely to fluctuate considerably more than income distributions of a typical bond fund because of changes in inflation.

 *Each Fund is subject to call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. An underlying fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the underlying fund's income. For mortgage-backed securities, this risk is known as prepayment risk.*

Because Vanguard Total Bond Market II Index Fund invests only a portion of its assets in callable bonds and mortgage-backed securities, call/prepayment risk for each Fund should be low to moderate.

 *Each Fund is subject to credit risk, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline, thus reducing the underlying fund's return.*

The credit quality of the bonds held by the underlying funds is expected to be very high, and thus credit risk for each Fund should be low.

To a limited extent, the Funds are also indirectly exposed to event risk, which is the chance that corporate fixed income securities held by the underlying funds will suffer a substantial decline in credit quality and market value because of a corporate restructuring.

Short-Term Investments

Through one underlying fund (the Prime Money Market Fund), a small percentage of the assets of the Target Retirement Income, Target Retirement 2005, and Target Retirement 2010 Funds will be invested in money market instruments. Although designed as low-risk investments, these instruments, similar to bonds, are subject to income risk and credit risk.

Security Selection

Each Fund seeks to achieve its objective by investing in up to five underlying Vanguard funds, which are briefly described in the following paragraphs.

- *Vanguard Total Stock Market Index Fund* seeks to track the performance of the MSCI US Broad Market Index, which represents 99.5% or more of the total market capitalization of all the U.S. common stocks regularly traded on the New York Stock Exchange and the Nasdaq over-the-counter market. This fund invests in a representative sample of stocks that make up the index.
- *Vanguard Total International Stock Index Fund* seeks to track the performance of the MSCI All Country World ex USA Investable Market Index, an index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The Index includes more than 6,000 stocks of companies located in 44 countries. The Index is most heavily weighted in Japan, the United Kingdom, Canada, France, Australia, Germany, and Switzerland.
- *Vanguard Total Bond Market II Index Fund* seeks to track the performance of the Barclays Capital U.S. Aggregate Float Adjusted Index by investing in a representative sample of bonds included in the index. The Barclays Capital U.S. Aggregate Float Adjusted Index represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities. The fund maintains a dollar-weighted average maturity consistent with that of the index, which currently ranges between 5 and 10 years.
- *Vanguard Inflation-Protected Securities Fund* seeks to provide inflation protection and income consistent with investment in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The fund's dollar-weighted average maturity is expected to range between 7 and 20 years.
- *Vanguard Prime Money Market Fund* seeks to provide current income while maintaining liquidity and a stable share price of \$1 by investing in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. The fund's dollar weighted average maturity is expected to be 90 days or less.



Each Target Retirement Fund is subject to asset allocation risk, which is the chance that the selection of underlying funds, and the allocation of assets to them, will cause the Fund to underperform other funds with a similar investment objective.

Other Investment Policies and Risks

Each underlying fund may invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, bond, or currency), a physical asset (such as gold, oil,

or wheat), or a market index (such as the S&P 500 Index). Investments in derivatives may subject the funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes. The funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Cash Management

Each Fund's daily cash balance may be invested in one or more Vanguard CMT Funds, which are very low-cost money market funds. When investing in a Vanguard CMT Fund, each Fund bears its proportionate share of the at-cost expenses of the CMT Fund in which it invests.

To put cash flow to work as soon as possible, and thereby capture as much of the market's return as possible, each Fund reserves the right to invest in shares of Vanguard Total Stock Market ETF, Vanguard Total International Stock Market ETF, and Vanguard Total Bond Market ETF (each provides returns similar to the returns of its corresponding market segment). The Funds' advisor may purchase ETF Shares when large cash inflows come into a Fund too late in the day to invest the cash, on a same-day basis, in shares of the underlying Vanguard funds that serve as the Fund's primary investments. These cash-flow situations will arise infrequently, and the period of holding the ETF Shares will be short—in most cases, one day. (Vanguard does not receive duplicate management fees when Fund assets are invested in ETF Shares.)

Frequent Trading or Market-Timing

Background. Some investors try to profit from strategies involving frequent trading of mutual fund shares, such as market-timing. For funds holding foreign securities, investors may try to take advantage of an anticipated difference between the price of the fund's shares and price movements in overseas markets, a practice also known as time-zone arbitrage. Investors also may try to engage in frequent trading of funds holding investments such as small-cap stocks and high-yield bonds. As money is shifted into and out of a fund by a shareholder engaging in frequent trading, a fund incurs costs for buying and selling securities, resulting in increased brokerage and administrative costs. These costs are borne by *all* fund shareholders, including the long-term investors who do not generate the costs. In addition, frequent trading may interfere with an advisor's ability to efficiently manage the fund.

Policies to Address Frequent Trading. The Vanguard funds (other than money market funds and short-term bond funds) do not knowingly accommodate frequent trading. The board of trustees of each Vanguard fund (other than money market funds and short-term bond funds) has adopted policies and procedures reasonably designed to detect and discourage frequent trading and, in some cases, to compensate the fund for the costs associated with it. These policies and procedures do not apply to Vanguard ETF® Shares because frequent trading in ETF Shares does not disrupt

portfolio management or otherwise harm fund shareholders. Although there is no assurance that Vanguard will be able to detect or prevent frequent trading or market-timing in all circumstances, the following policies have been adopted to address these issues:

- Each Vanguard fund reserves the right to reject any purchase request—including exchanges from other Vanguard funds—without notice and regardless of size. For example, a purchase request could be rejected because of a history of frequent trading by the investor or if Vanguard determines that such purchase may negatively affect a fund’s operation or performance.
- Each Vanguard fund (other than money market funds and short-term bond funds) generally prohibits, except as otherwise noted in the **Investing With Vanguard** section, an investor’s purchases or exchanges into a fund account for 60 calendar days after the investor has redeemed or exchanged out of that fund account.
- Certain Vanguard funds charge shareholders purchase and/or redemption fees on transactions.

See the **Investing With Vanguard** section of this prospectus for further details on Vanguard’s transaction policies.

Each fund (other than money market funds), in determining its net asset value, will, when appropriate, use fair-value pricing, as described in the **Share Price** section. Fair-value pricing may reduce or eliminate the profitability of certain frequent-trading strategies.

Do not invest with Vanguard if you are a market-timer.

Turnover Rate

Although each Fund generally seeks to invest for the long term, each Fund may sell shares of the underlying funds regardless of how long they have been held. The **Financial Highlights** section of the prospectus shows historical turnover rates for the Funds. A turnover rate of 100%, for example, would mean that a Fund had sold and replaced shares of underlying funds valued at 100% of its net assets within a one-year period.

The Funds and Vanguard

Each Fund is a member of The Vanguard Group, a family of more than 170 mutual funds holding assets of approximately \$1.5 trillion. All of the funds that are members of The Vanguard Group (other than funds of funds) share in the expenses associated with administrative services and business operations, such as personnel, office space, equipment, and advertising. Vanguard also provides marketing services to the funds.

According to an agreement applicable to the Funds and Vanguard, the Funds’ direct expenses will be offset by Vanguard for (1) the Funds’ contributions to the costs of operating the underlying Vanguard funds in which the Target Retirement Funds invest,

and (2) certain savings in administrative and marketing costs that Vanguard expects to derive from the Funds' operation.

The Funds' trustees believe that the offsets should be sufficient to cover most, if not all, of the direct expenses incurred by the Funds. As a result, each Fund is expected to operate at a very low or zero direct expense ratio. Since their inception, the Funds, in fact, have incurred no direct net expenses. Although the Target Retirement Funds are not expected to incur any net expenses directly, the Funds' shareholders indirectly bear the expenses of the underlying Vanguard funds.

Plain Talk About Vanguard's Unique Corporate Structure

The Vanguard Group is truly a *mutual* mutual fund company. It is owned jointly by the funds it oversees and thus indirectly by the shareholders in those funds. Most other mutual funds are operated by management companies that may be owned by one person, by a private group of individuals, or by public investors who own the management company's stock. The management fees charged by these companies include a profit component over and above the companies' cost of providing services. By contrast, Vanguard provides services to its member funds on an at-cost basis, with no profit component, which helps to keep the funds' expenses low.

Investment Advisor

The Vanguard Group, Inc. (Vanguard), P.O. Box 2600, Valley Forge, PA 19482, which began operations in 1975, serves as advisor to the Funds through its Quantitative Equity Group. Vanguard also serves as investment advisor for each of the underlying funds. As of September 30, 2011, Vanguard served as advisor for approximately \$1.3 trillion in assets.

For a discussion of why the board of trustees approved each Fund's investment advisory arrangement, see the most recent semiannual report to shareholders covering the fiscal period ended March 31.

Vanguard's Quantitative Equity Group is overseen by:

George U. Sauter, Chief Investment Officer and Managing Director of Vanguard. As Chief Investment Officer, he is responsible for the oversight of Vanguard's Quantitative Equity and Fixed Income Groups. The investments managed by these two groups include active quantitative equity funds, equity index funds, active bond funds, index bond funds, stable value portfolios, and money market funds. Since joining Vanguard in 1987, Mr. Sauter has been a key contributor to the development of Vanguard's stock indexing and active quantitative equity investment strategies. He

received his A.B. in Economics from Dartmouth College and an M.B.A. in Finance from the University of Chicago.

Sandip A. Bhagat, CFA, Principal of Vanguard and head of Vanguard's Quantitative Equity Group. He has oversight responsibility for all active quantitative equity funds and all equity index funds managed by the Quantitative Equity Group. He has managed investment portfolios since 1987 and has been with Vanguard since 2009. He received his B.S. in Chemical Engineering from the University of Bombay, India, and an M.S. in Chemical Engineering and an M.B.A. from the University of Connecticut.

The manager primarily responsible for the day-to-day management of the Funds is:

Duane Kelly, Principal of Vanguard. He has been with Vanguard since 1989; has managed investment portfolios since 1992; and has managed the Funds since their inception. Education: B.S., LaSalle University.

The *Statement of Additional Information* provides information about the portfolio manager's compensation, other accounts under management, and ownership of shares of the Funds.

Dividends, Capital Gains, and Taxes

Fund Distributions

Each Fund distributes to shareholders virtually all of its net income as well as any net capital gains realized from the sale of its holdings or received as capital gains distributions from the underlying funds. Income dividends for the Target Retirement Income Fund generally are distributed quarterly in March, June, September, and December; income dividends for the other Target Retirement Funds generally are distributed annually in December. Capital gains distributions, if any, generally occur annually in December. You can receive distributions of income or capital gains in cash, or you can have them automatically reinvested in more shares of the Fund.

Basic Tax Points

Vanguard will send you a statement each year showing the tax status of all your distributions. In addition, investors in taxable accounts should be aware of the following basic federal income tax points:

- Distributions are taxable to you whether or not you reinvest these amounts in additional Fund shares.
- Distributions declared in December—if paid to you by the end of January—are taxable as if received in December.
- Any dividend and short-term capital gains distributions that you receive are taxable to you as ordinary income. If you are an individual and meet certain holding-period

requirements with respect to your Fund shares, you may be eligible for reduced tax rates on “qualified dividend income,” if any, distributed by the Fund.

- Any distributions of net long-term capital gains are taxable to you as long-term capital gains, no matter how long you’ve owned shares in the Fund.
- Capital gains distributions may vary considerably from year to year as a result of the Funds’ normal investment activities and cash flows.
- A sale or exchange of Fund shares is a taxable event. This means that you may have a capital gain to report as income, or a capital loss to report as a deduction, when you complete your tax return.
- Any conversion between classes of shares of the *same* fund is a *nontaxable* event. By contrast, an exchange between classes of shares of *different* funds is a *taxable* event.

Dividend and capital gains distributions that you receive, as well as your gains or losses from any sale or exchange of Fund shares, may be subject to state and local income taxes.

This prospectus provides general tax information only. If you are investing through a tax-deferred retirement account, such as an IRA, special tax rules apply. Please consult your tax advisor for detailed information about any tax consequences for you.

Plain Talk About “Buying a Dividend”

Unless you are investing through a tax-deferred retirement account (such as an IRA), you should consider avoiding a purchase of fund shares shortly before the fund makes a distribution, because doing so can cost you money in taxes. This is known as “buying a dividend.” For example: On December 15, you invest \$5,000, buying 250 shares for \$20 each. If the fund pays a distribution of \$1 per share on December 16, its share price will drop to \$19 (not counting market change). You still have only \$5,000 (250 shares x \$19 = \$4,750 in share value, plus 250 shares x \$1 = \$250 in distributions), but you *owe tax* on the \$250 distribution you received—even if you reinvest it in more shares. To avoid “buying a dividend,” check a fund’s distribution schedule before you invest.

General Information

Backup withholding. By law, Vanguard must withhold 28% of any taxable distributions or redemptions from your account if you do not:

- Provide us with your correct taxpayer identification number;
- Certify that the taxpayer identification number is correct; and
- Confirm that you are not subject to backup withholding.

Similarly, Vanguard must withhold taxes from your account if the IRS instructs us to do so.

Foreign investors. Vanguard funds offered for sale in the United States (Vanguard U.S. funds), including the Funds offered in this prospectus, generally are not sold outside the United States, except to certain qualified investors. Non-U.S. investors should be aware that U.S. withholding and estate taxes may apply to any investments in Vanguard U.S. funds. Foreign investors should visit the “Non-U.S. Investors” page on our website at vanguard.com for information on Vanguard’s non-U.S. products.

Invalid addresses. If a dividend or capital gains distribution check mailed to your address of record is returned as undeliverable, Vanguard will automatically reinvest the distribution and all future distributions until you provide us with a valid mailing address. Reinvestments will receive the net asset value calculated on the date of the reinvestment.

Share Price

Share price, also known as *net asset value* (NAV), is calculated each business day as of the close of regular trading on the New York Stock Exchange, generally 4 p.m., Eastern time. The NAV per share is computed by dividing the total assets, minus liabilities, of the Fund by the number of Fund shares outstanding. On holidays or other days when the Exchange is closed, the NAV is not calculated, and the Fund does not transact purchase or redemption requests. The underlying Vanguard funds in which the Fund invests also do not calculate their NAV on days when the exchange is closed, but the value of their assets may be affected to the extent that they hold foreign securities that trade on foreign markets that are open.

Each Fund’s NAV is calculated based upon the values of the underlying mutual funds in which the Fund invests. The values of the mutual fund shares held by a Fund are based on the NAVs of the shares. The values of any ETF shares held by a Fund are based on the market value of the shares. The prospectuses for the underlying funds explain the circumstances under which those funds will use fair-value pricing and the effects of doing so.

Vanguard fund share prices are published daily on our website at vanguard.com/prices.

Financial Highlights

The following financial highlights tables are intended to help you understand each Fund's financial performance for the periods shown, and certain information reflects financial results for a single Fund share. The total returns in each table represent the rate that an investor would have earned or lost each period on an investment in the Fund (assuming reinvestment of all distributions). This information has been obtained from the financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose reports—along with each Fund's financial statements—are included in the Funds' most recent annual reports to shareholders. You may obtain a free copy of the latest annual or semiannual report online at vanguard.com or by contacting Vanguard by telephone or mail.

Plain Talk About How to Read the Financial Highlights Tables

This explanation uses the Target Retirement Income Fund as an example. The Fund began fiscal year 2011 with a net asset value (price) of \$11.13 per share. During the year, the Fund earned \$0.303 per share from investment income, \$0.03 per share in capital gain distributions, and \$0.08 per share from investments that had appreciated in value or were sold for higher prices than the Fund paid for them.

Shareholders received \$0.323 per share in the form of dividend and capital gains distributions. A portion of each year's distributions may come from the prior year's income or capital gains.

The share price at the end of the year was \$11.22, reflecting earnings of \$0.413 per share and distributions of \$0.323 per share. This was an increase of \$0.09 per share (from \$11.13 at the beginning of the year to \$11.22 at the end of the year). For a shareholder who reinvested the distributions in the purchase of more shares, the total return was 3.70% for the year.

As of September 30, 2011, the Fund had approximately \$4.8 billion in net assets. For the year, its acquired fund fees and expenses were 0.17%, and its net investment income amounted to 2.65% of its average net assets. The Fund sold and replaced securities valued at 14% of its net assets.

Target Retirement Income Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|------------------|----------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$11.13 | \$10.49 | \$10.19 | \$11.08 | \$10.52 |
| Investment Operations | | | | | |
| Net Investment Income | .303 ¹ | .288 | .268 | .427 | .430 ¹ |
| Capital Gain Distributions Received | .030 ¹ | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | .080 | .640 | .302 | (.878) | .540 |
| Total from Investment Operations | .413 | .928 | .570 | (.451) | .970 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.299) | (.288) | (.270) | (.439) | (.410) |
| Distributions from Realized Capital Gains | (.024) | — | — | — | — |
| Total Distributions | (.323) | (.288) | (.270) | (.439) | (.410) |
| Net Asset Value, End of Period | \$11.22 | \$11.13 | \$10.49 | \$10.19 | \$11.08 |
| Total Return² | 3.70% | 8.97% | 5.84% | -4.23% | 9.36% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$4,765 | \$3,623 | \$2,463 | \$2,046 | \$1,336 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.17% | 0.17% | 0.21% | 0.19% | 0.19% |
| Ratio of Net Investment Income to Average Net Assets | 2.65% | 2.70% | 2.78% | 4.11% | 4.03% |
| Turnover Rate | 14% ³ | 12% | 29% ⁴ | 14% | 3% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2005 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$11.71 | \$10.98 | \$10.99 | \$12.31 | \$11.38 |
| Investment Operations | | | | | |
| Net Investment Income | .318 | .293 | .303 | .439 ¹ | .420 ¹ |
| Capital Gain Distributions Received | .033 | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | .104 | .714 | .114 | (1.379) | .870 |
| Total from Investment Operations | .455 | 1.007 | .417 | (.940) | 1.290 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.290) | (.277) | (.427) | (.380) | (.360) |
| Distributions from Realized Capital Gains | (.025) | — | — | — | — |
| Total Distributions | (.315) | (.277) | (.427) | (.380) | (.360) |
| Net Asset Value, End of Period | \$11.85 | \$11.71 | \$10.98 | \$10.99 | \$12.31 |
| Total Return² | 3.92% | 9.33% | 4.33% | -7.89% | 11.56% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$2,199 | \$2,198 | \$1,815 | \$1,767 | \$1,473 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.17% | 0.17% | 0.21% | 0.18% | 0.19% |
| Ratio of Net Investment Income to Average Net Assets | 2.62% | 2.71% | 2.95% | 3.71% | 3.56% |
| Turnover Rate | 27% ³ | 21% | 44% ⁴ | 21% | 6% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2010 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$21.87 | \$20.39 | \$20.47 | \$23.54 | \$21.01 |
| Investment Operations | | | | | |
| Net Investment Income | .560 ¹ | .520 | .553 | .744 ¹ | .730 ¹ |
| Capital Gain Distributions Received | .056 ¹ | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.022) | 1.455 | .046 | (3.354) | 1.980 |
| Total from Investment Operations | .594 | 1.975 | .599 | (2.610) | 2.710 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.511) | (.495) | (.679) | (.460) | (.180) |
| Distributions from Realized Capital Gains | (.043) | — | — | — | — |
| Total Distributions | (.554) | (.495) | (.679) | (.460) | (.180) |
| Net Asset Value, End of Period | \$21.91 | \$21.87 | \$20.39 | \$20.47 | \$23.54 |
| Total Return² | 2.68% | 9.83% | 3.47% | -11.30% | 12.96% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$4,747 | \$4,247 | \$3,065 | \$2,567 | \$1,297 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.17% | 0.17% | 0.21% | 0.19% | 0.20% |
| Ratio of Net Investment Income to Average Net Assets | 2.46% | 2.67% | 3.15% | 3.34% | 3.26% |
| Turnover Rate | 27% ³ | 19% | 41% ⁴ | 18% | 4% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2015 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$12.03 | \$11.21 | \$11.34 | \$13.49 | \$12.10 |
| Investment Operations | | | | | |
| Net Investment Income | .283 ¹ | .285 | .307 | .380 ¹ | .380 ¹ |
| Capital Gain Distributions Received | .031 ¹ | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.134) | .811 | (.072) | (2.190) | 1.320 |
| Total from Investment Operations | .180 | 1.096 | .235 | (1.810) | 1.700 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.276) | (.276) | (.365) | (.340) | (.310) |
| Distributions from Realized Capital Gains | (.024) | — | — | — | — |
| Total Distributions | (.300) | (.276) | (.365) | (.340) | (.310) |
| Net Asset Value, End of Period | \$11.91 | \$12.03 | \$11.21 | \$11.34 | \$13.49 |
| Total Return² | 1.40% | 9.92% | 2.66% | -13.75% | 14.25% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$13,435 | \$12,466 | \$9,507 | \$7,804 | \$6,619 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.17% | 0.17% | 0.21% | 0.18% | 0.19% |
| Ratio of Net Investment Income to Average Net Assets | 2.24% | 2.62% | 3.31% | 3.02% | 2.93% |
| Turnover Rate | 27% ³ | 19% | 37% ⁴ | 24% | 5% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2020 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$21.17 | \$19.66 | \$20.03 | \$24.15 | \$21.14 |
| Investment Operations | | | | | |
| Net Investment Income | .473 ¹ | .510 ¹ | .539 ¹ | .619 ¹ | .600 ¹ |
| Capital Gain Distributions Received | .044 ¹ | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.378) | 1.440 | (.360) | (4.329) | 2.600 |
| Total from Investment Operations | .139 | 1.950 | .179 | (3.710) | 3.200 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.444) | (.440) | (.549) | (.410) | (.190) |
| Distributions from Realized Capital Gains | (.035) | — | — | — | — |
| Total Distributions | (.479) | (.440) | (.549) | (.410) | (.190) |
| Net Asset Value, End of Period | \$20.83 | \$21.17 | \$19.66 | \$20.03 | \$24.15 |
| Total Return² | 0.53% | 10.04% | 1.44% | -15.61% | 15.21% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$11,032 | \$8,890 | \$5,706 | \$3,859 | \$1,719 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.17% | 0.17% | 0.21% | 0.19% | 0.20% |
| Ratio of Net Investment Income to Average Net Assets | 2.11% | 2.51% | 3.19% | 2.79% | 2.61% |
| Turnover Rate | 23% ³ | 14% | 27% ⁴ | 15% | 4% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2025 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|------------------|----------------|----------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$11.97 | \$11.11 | \$11.49 | \$14.26 | \$12.51 |
| Investment Operations | | | | | |
| Net Investment Income | .257 ¹ | .262 | .279 | .307 | .300 |
| Capital Gain Distributions Received | .020 ¹ | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.271) | .850 | (.336) | (2.767) | 1.740 |
| Total from Investment Operations | .006 | 1.112 | (.057) | (2.460) | 2.040 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.250) | (.252) | (.323) | (.310) | (.290) |
| Distributions from Realized Capital Gains | (.016) | — | — | — | — |
| Total Distributions | (.266) | (.252) | (.323) | (.310) | (.290) |
| Net Asset Value, End of Period | \$11.71 | \$11.97 | \$11.11 | \$11.49 | \$14.26 |
| Total Return² | -0.11% | 10.12% | 0.10% | -17.61% | 16.51% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$14,997 | \$13,652 | \$9,932 | \$7,769 | \$6,721 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.18% | 0.18% | 0.21% | 0.18% | 0.19% |
| Ratio of Net Investment Income to Average Net Assets | 2.01% | 2.42% | 3.09% | 2.59% | 2.43% |
| Turnover Rate | 23% ³ | 11% | 21% ⁴ | 17% | 4% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2030 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$20.36 | \$18.84 | \$19.63 | \$24.74 | \$21.25 |
| Investment Operations | | | | | |
| Net Investment Income | .398 | .453 ¹ | .466 ¹ | .522 ¹ | .490 ¹ |
| Capital Gain Distributions Received | .011 | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.542) | 1.453 | (.793) | (5.262) | 3.190 |
| Total from Investment Operations | (.133) | 1.906 | (.327) | (4.740) | 3.680 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.395) | (.386) | (.463) | (.370) | (.190) |
| Distributions from Realized Capital Gains | (.022) | — | — | — | — |
| Total Distributions | (.417) | (.386) | (.463) | (.370) | (.190) |
| Net Asset Value, End of Period | \$19.81 | \$20.36 | \$18.84 | \$19.63 | \$24.74 |
| Total Return² | -0.83% | 10.21% | -1.13% | -19.43% | 17.40% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$8,245 | \$6,533 | \$4,003 | \$2,359 | \$1,103 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.18% | 0.19% | 0.21% | 0.19% | 0.21% |
| Ratio of Net Investment Income to Average Net Assets | 1.91% | 2.32% | 2.92% | 2.35% | 2.10% |
| Turnover Rate | 19% ³ | 9% | 13% ⁴ | 6% | 4% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2035 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|-------------------|----------------|----------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$12.22 | \$11.31 | \$11.90 | \$15.25 | \$13.18 |
| Investment Operations | | | | | |
| Net Investment Income | .235 | .250 | .273 ¹ | .293 | .270 |
| Capital Gain Distributions Received | .006 | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.402) | .898 | (.564) | (3.353) | 2.060 |
| Total from Investment Operations | (.161) | 1.148 | (.291) | (3.060) | 2.330 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.236) | (.238) | (.299) | (.290) | (.260) |
| Distributions from Realized Capital Gains | (.053) | — | — | — | — |
| Total Distributions | (.289) | (.238) | (.299) | (.290) | (.260) |
| Net Asset Value, End of Period | \$11.77 | \$12.22 | \$11.31 | \$11.90 | \$15.25 |
| Total Return² | -1.55% | 10.24% | -1.85% | -20.42% | 17.87% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$10,239 | \$9,223 | \$6,780 | \$5,030 | \$4,553 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.19% | 0.19% | 0.21% | 0.18% | 0.19% |
| Ratio of Net Investment Income to Average Net Assets | 1.81% | 2.24% | 2.88% | 2.28% | 2.09% |
| Turnover Rate | 18% ³ | 6% | 9% ⁴ | 10% | 1% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2040 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$20.03 | \$18.52 | \$19.36 | \$24.70 | \$21.13 |
| Investment Operations | | | | | |
| Net Investment Income | .369 | .393 | .435 ¹ | .494 ¹ | .460 ¹ |
| Capital Gain Distributions Received | .006 | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.705) | 1.485 | (.849) | (5.464) | 3.290 |
| Total from Investment Operations | (.330) | 1.878 | (.414) | (4.970) | 3.750 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.368) | (.368) | (.426) | (.370) | (.180) |
| Distributions from Realized Capital Gains | (.072) | — | — | — | — |
| Total Distributions | (.440) | (.368) | (.426) | (.370) | (.180) |
| Net Asset Value, End of Period | \$19.26 | \$20.03 | \$18.52 | \$19.36 | \$24.70 |
| Total Return² | -1.87% | 10.23% | -1.61% | -20.40% | 17.83% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$4,977 | \$3,831 | \$2,330 | \$1,199 | \$513 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.19% | 0.19% | 0.21% | 0.19% | 0.21% |
| Ratio of Net Investment Income to Average Net Assets | 1.79% | 2.23% | 2.78% | 2.24% | 1.99% |
| Turnover Rate | 15% ³ | 7% | 9% ⁴ | 4% | 4% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2045 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|-------------------|----------------|----------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$12.64 | \$11.70 | \$12.29 | \$15.75 | \$13.60 |
| Investment Operations | | | | | |
| Net Investment Income | .237 | .257 | .281 ¹ | .303 | .280 |
| Capital Gain Distributions Received | .005 | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.436) | .929 | (.570) | (3.463) | 2.130 |
| Total from Investment Operations | (.194) | 1.186 | (.289) | (3.160) | 2.410 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.242) | (.246) | (.301) | (.300) | (.250) |
| Distributions from Realized Capital Gains | (.104) | — | — | — | (.010) |
| Total Distributions | (.346) | (.246) | (.301) | (.300) | (.260) |
| Net Asset Value, End of Period | \$12.10 | \$12.64 | \$11.70 | \$12.29 | \$15.75 |
| Total Return² | -1.82% | 10.23% | -1.77% | -20.42% | 17.90% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$5,702 | \$4,918 | \$3,560 | \$2,493 | \$2,204 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.19% | 0.19% | 0.21% | 0.18% | 0.19% |
| Ratio of Net Investment Income to Average Net Assets | 1.79% | 2.24% | 2.86% | 2.28% | 2.08% |
| Turnover Rate | 16% ³ | 6% | 10% ⁴ | 9% | 1% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2050 Fund

| | Year Ended September 30, | | | | |
|--|--------------------------|----------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net Asset Value, Beginning of Period | \$20.10 | \$18.58 | \$19.43 | \$24.79 | \$21.24 |
| Investment Operations | | | | | |
| Net Investment Income | .360 | .399 | .431 ¹ | .503 ¹ | .480 ¹ |
| Capital Gain Distributions Received | .006 | — | — | — | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.682) | 1.492 | (.866) | (5.493) | 3.290 |
| Total from Investment Operations | (.316) | 1.891 | (.435) | (4.990) | 3.770 |
| Distributions | | | | | |
| Dividends from Net Investment Income | (.370) | (.371) | (.415) | (.370) | (.220) |
| Distributions from Realized Capital Gains | (.244) | — | — | — | — |
| Total Distributions | (.614) | (.371) | (.415) | (.370) | (.220) |
| Net Asset Value, End of Period | \$19.17 | \$20.10 | \$18.58 | \$19.43 | \$24.79 |
| Total Return² | -1.89% | 10.26% | -1.73% | -20.41% | 17.85% |
| Ratios/Supplemental Data | | | | | |
| Net Assets, End of Period (Millions) | \$2,074 | \$1,517 | \$924 | \$409 | \$192 |
| Ratio of Total Expenses to Average Net Assets | — | — | — | — | — |
| Acquired Fund Fees and Expenses | 0.19% | 0.19% | 0.21% | 0.19% | 0.21% |
| Ratio of Net Investment Income to Average Net Assets | 1.79% | 2.21% | 2.74% | 2.27% | 2.04% |
| Turnover Rate | 15% ³ | 10% | 8% ⁴ | 4% | 2% |

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown.

3 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

4 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's bond investments from Vanguard Total Bond Market Index Fund to Vanguard Total Bond Market II Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Target Retirement 2055 Fund

| | Year Ended September 30, 2011 | Aug. 18, 2010 ¹ to Sept. 30, 2010 |
|--|-------------------------------------|---|
| Net Asset Value, Beginning of Period | \$20.98 | \$20.00 |
| Investment Operations | | |
| Net Investment Income | .388 ² | .063 |
| Capital Gain Distributions Received | .001 | — |
| Net Realized and Unrealized Gain (Loss) on Investments | (.698) | .917 |
| Total from Investment Operations | (.309) | .980 |
| Distributions | | |
| Dividends from Net Investment Income | (.179) | — |
| Distributions from Realized Capital Gains | (.042) | — |
| Total Distributions | (.221) | — |
| Net Asset Value, End of Period | \$20.45 | \$20.98 |
| Total Return³ | -1.58% | 4.90% |
| Ratios/Supplemental Data | | |
| Net Assets, End of Period (Millions) | \$124 | \$2 |
| Ratio of Total Expenses to Average Net Assets | — | — |
| Acquired Fund Fees and Expenses | 0.19% | 0.22% ⁴ |
| Ratio of Net Investment Income to Average Net Assets | 1.71% | 2.73% ⁴ |
| Turnover Rate | 12% ⁵ | 3% |

1 Inception.

2 Calculated based on average shares outstanding.

3 Total returns do not include account service fees that may have applied in the periods shown.

4 Annualized.

5 Excludes the value of mutual fund shares delivered and received in connection with a change in the Fund's international equity investments from Vanguard European, Pacific, and Emerging Markets Stock Index Funds to Vanguard Total International Stock Index Fund because those transactions were effected in kind and did not cause the Fund to incur transaction costs.

Investing With Vanguard

This section of the prospectus explains the basics of doing business with Vanguard. Be sure to carefully read each topic that pertains to your relationship with Vanguard. Vanguard reserves the right to change the following policies, without notice to shareholders. Please call or check online for current information.

Each fund you hold in an account is a separate “fund account.” For example, if you hold three funds in a nonretirement account titled in your own name, two funds in a nonretirement account titled jointly with your spouse, and one fund in an individual retirement account, you have six fund accounts—and this is true even if you hold the same fund in multiple accounts. Note that each reference to “you” in this prospectus applies to any one or more registered account owners or persons authorized to transact on your account.

Purchasing Shares

Vanguard reserves the right, without notice, to increase or decrease the minimum amount required to open or maintain a fund account, or to add to an existing fund account.

Investment minimums may differ for certain categories of investors.

Account Minimums

To open and maintain an account. \$1,000.

Add to an existing account. Generally \$100 (other than by Automatic Investment Plan, which has no established minimum).

How to Initiate a Purchase Request

Be sure to check *Exchanging Shares*, *Frequent-Trading Limitations*, and *Other Rules You Should Know* before placing your purchase request.

Online. You may open certain types of accounts, request a purchase of shares, and request an exchange through our website at *vanguard.com* if you are a registered user.

By telephone. You may call Vanguard to begin the account registration process or request that the account-opening forms be sent to you. You may also call Vanguard to request a purchase of shares in your account. See *Contacting Vanguard*.

By mail. You may send Vanguard your account registration form and check to open a new fund account. To add to an existing fund account, you may send your check with an Invest-by-Mail form (from a transaction confirmation or your account statement), with a deposit slip (available online), or with a written request. You may also send a written request to Vanguard to make an exchange. For a list of Vanguard addresses, see *Contacting Vanguard*.

How to Pay for a Purchase

By electronic bank transfer. You may purchase shares of a Vanguard fund through an electronic transfer of money from a bank account. To establish the electronic bank transfer option on an account, you must designate the bank account online, complete a special form, or fill out the appropriate section of your account registration form. After the option is set up on your account, you can purchase shares by electronic bank transfer on a regular schedule (Automatic Investment Plan) or from time to time. Your purchase request can be initiated online (if you are a registered user of *vanguard.com*), by telephone, or by mail.

By wire. Wiring instructions vary for different types of purchases. Please call Vanguard for instructions and policies on purchasing shares by wire. See *Contacting Vanguard*.

By check. You may send a check to make initial or additional purchases to your fund account. Also see *How to Initiate a Purchase Request: By mail*. Make your check payable to Vanguard and include the appropriate fund number (e.g., Vanguard—xx). For a list of Fund numbers (for Funds in this prospectus), see *Additional Information*.

By exchange. You may purchase shares of a Vanguard fund using the proceeds from the simultaneous redemption of shares of another Vanguard fund. You may initiate an exchange online (if you are a registered user of *vanguard.com*), by telephone, or by written request. See *Exchanging Shares*.

Trade Date

The trade date for any purchase request received in good order will depend on the day and time Vanguard receives your request, the manner in which you are paying, and the type of fund you are purchasing. Your purchase will be executed using the NAV as calculated on the trade date. NAVs are calculated only on days that the New York Stock Exchange (NYSE) is open for trading (a business day).

For purchases by **check** into all funds other than money market funds, and for purchases by **exchange**, **wire**, or **electronic bank transfer** (not using an Automatic Investment Plan) into all funds: If the purchase request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date for the purchase will be the same day. If the purchase request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date for the purchase will be the next business day.

For purchases by **check** into money market funds: If the purchase request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date for the purchase will be the next business day. If the purchase request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date for the purchase will be the second business day following the day Vanguard receives the purchase

request. Because money market instruments must be purchased with federal funds and it takes a money market mutual fund one business day to convert check proceeds into federal funds, the trade date for the purchase will be one business day later than for other funds.

For purchases by electronic bank transfer using an **Automatic Investment Plan**: Your trade date generally will be one business day before the date you designated for withdrawal from your bank account.

If your purchase request is not accurate and complete, it may be rejected. See *Other Rules You Should Know—Good Order*.

For further information about purchase transactions, consult our website at vanguard.com or see *Contacting Vanguard*.

Other Purchase Rules You Should Know

Check purchases. All purchase checks must be written in U.S. dollars and must be drawn on a U.S. bank. Vanguard does not accept cash, traveler's checks, or money orders. In addition, Vanguard may refuse "starter checks" and checks that are not made payable to Vanguard.

New accounts. We are required by law to obtain from you certain personal information that we will use to verify your identity. If you do not provide the information, we may not be able to open your account. If we are unable to verify your identity, Vanguard reserves the right, without notice, to close your account or take such other steps as we deem reasonable.

Refused or rejected purchase requests. Vanguard reserves the right to stop selling fund shares or to reject any purchase request at any time and without notice, including, but not limited to, purchases requested by exchange from another Vanguard fund. This also includes the right to reject any purchase request because of a history of frequent trading by the investor or because the purchase may negatively affect a fund's operation or performance.

Large purchases. Please call Vanguard before attempting to invest a large dollar amount.

No cancellations. Vanguard will not accept your request to cancel any purchase request once processing has begun. Please be careful when placing a purchase request.

Redeeming Shares

How to Initiate a Redemption Request

Be sure to check *Exchanging Shares*, *Frequent-Trading Limitations*, and *Other Rules You Should Know* before placing your redemption request.

Online. You may request a redemption of shares or request an exchange through our website at *vanguard.com* if you are a registered user.

By telephone. You may call Vanguard to request a redemption of shares or an exchange. See *Contacting Vanguard*.

By mail. You may send a written request to Vanguard to redeem from a fund account or to make an exchange. See *Contacting Vanguard*.

How to Receive Redemption Proceeds

By electronic bank transfer. You may have the proceeds of a fund redemption sent directly to a designated bank account. To establish the electronic bank transfer option on an account, you must designate a bank account online, complete a special form, or fill out the appropriate section of your account registration form. After the option is set up on your account, you can redeem shares by electronic bank transfer on a regular schedule (Automatic Withdrawal Plan) or from time to time. Your redemption request can be initiated online, by telephone, or by mail.

By wire. To receive your proceeds by wire, you may instruct Vanguard to wire your redemption proceeds (\$100 minimum) to a previously designated bank account. To establish the wire redemption option, you generally must designate a bank account online, complete a special form, or fill out the appropriate section of your account registration form.

By exchange. You may have the proceeds of a Vanguard fund redemption invested directly in shares of another Vanguard fund. You may initiate an exchange online (if you are a registered user of *vanguard.com*), by telephone, or by written request. See *Exchanging Shares*.

By check. If you have not chosen another redemption method, Vanguard will mail you a redemption check, generally payable to all registered account owners, normally within two business days of your trade date, generally to the address of record.

Trade Date

The trade date for any redemption request received in good order will depend on the day and time Vanguard receives your request and the manner in which you are redeeming. Your redemption will be executed using the NAV as calculated on the

trade date. NAVs are calculated only on days that the NYSE is open for trading (a business day).

For redemptions by **check, exchange, or wire**: If the redemption request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date will be the same day. If the redemption request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date will be the next business day.

- Note on timing of wire redemptions from money market funds: For telephone requests received by Vanguard on a business day before 10:45 a.m., Eastern time (2 p.m., Eastern time, for Vanguard Prime Money Market Fund), the redemption proceeds generally will leave Vanguard by the close of business the same day. For telephone requests received by Vanguard on a business day after those cut-off times, or on a nonbusiness day, and for all requests other than by telephone, the redemption proceeds generally will leave Vanguard by the close of business on the next business day.
- Note on timing of wire redemptions from all other funds: For requests received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the redemption proceeds generally will leave Vanguard by the close of business on the next business day. For requests received by Vanguard on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the redemption proceeds generally will leave Vanguard by the close of business on the second business day after Vanguard receives the request.

For redemptions by electronic bank transfer using an **Automatic Withdrawal Plan**: Your trade date generally will be the date you designated for withdrawal of funds (redemption of shares) from your Vanguard account. Proceeds of redeemed shares generally will be credited to your designated bank account two business days after your trade date. If the date you designated for withdrawal of funds from your Vanguard account falls on a weekend, holiday, or other nonbusiness day, your trade date generally will be the previous business day.

For redemptions by **electronic bank transfer** not using an Automatic Withdrawal Plan: If the redemption request is received by Vanguard on a business day before the close of regular trading on the NYSE (generally 4 p.m., Eastern time), the trade date will be the same day. If the redemption request is received on a business day after the close of regular trading on the NYSE, or on a nonbusiness day, the trade date will be the next business day.

If your redemption request is not accurate and complete, it may be rejected. If we are unable to send your redemption proceeds by wire or electronic bank transfer because the receiving institution rejects the transfer, Vanguard will make additional efforts to complete your transaction. If Vanguard is still unable to complete the transaction, we

may send the proceeds of the redemption to you by check, generally payable to all registered account owners, or use your proceeds to purchase new shares of the Fund from which you sold shares for the purpose of the wire or electronic bank transfer transaction. See *Other Rules You Should Know—Good Order*.

For further information about redemption transactions, consult our website at vanguard.com or see *Contacting Vanguard*.

Other Redemption Rules You Should Know

Documentation for certain accounts. Special documentation may be required to redeem from certain types of accounts, such as trust, corporate, nonprofit, or retirement accounts. Please call us *before* attempting to redeem from these types of accounts.

Potentially disruptive redemptions. Vanguard reserves the right to pay all or part of a redemption in kind—that is, in the form of securities—if we reasonably believe that a cash redemption would negatively affect the fund’s operation or performance or that the shareholder may be engaged in market-timing or frequent trading. Under these circumstances, Vanguard also reserves the right to delay payment of the redemption proceeds for up to seven calendar days. By calling us *before* you attempt to redeem a large dollar amount, you may avoid in-kind or delayed payment of your redemption. Please see *Frequent-Trading Limitations* for information about Vanguard’s policies to limit frequent trading.

Recently purchased shares. Although you can redeem shares at any time, proceeds may not be made available to you until the fund collects payment for your purchase. This may take up to ten calendar days for shares purchased by check or by electronic bank transfer. If you have written a check on a fund with checkwriting privileges, that check may be rejected if your fund account does not have a sufficient available balance.

Address change. If you change your address online or by telephone, there may be up to a 14-day restriction on your ability to request check redemptions online and by telephone. You can request a redemption in writing at any time. Confirmations of address changes are sent to both the old and new addresses.

Payment to a different person or address. At your request, we can make your redemption check payable, or wire your redemption proceeds, to a different person or send it to a different address. However, this generally requires the written consent of all registered account owners and may require a signature guarantee or a notarized signature. You may obtain a signature guarantee from some commercial or savings banks, credit unions, trust companies, or member firms of a U.S. stock exchange.

No cancellations. Vanguard will not accept your request to cancel any redemption request once processing has begun. Please be careful when placing a redemption request.

Emergency circumstances. Vanguard funds can postpone payment of redemption proceeds for up to seven calendar days. In addition, Vanguard funds can suspend redemptions and/or postpone payments of redemption proceeds beyond seven calendar days at times when the NYSE is closed or during emergency circumstances, as determined by the SEC.

Exchanging Shares

An exchange occurs when you use the proceeds from the redemption of shares of one Vanguard fund to simultaneously purchase shares of a different Vanguard fund. You can make exchange requests online (if you are a registered user of *vanguard.com*), by telephone, or by written request. See *Purchasing Shares* and *Redeeming Shares*.

If the NYSE is open for regular trading (generally until 4 p.m., Eastern time, on a business day) at the time an exchange request is received in good order, the trade date generally will be the same day. See *Other Rules You Should Know—Good Order* for additional information on all transaction requests.

Vanguard will not accept your request to cancel any exchange request once processing has begun. Please be careful when placing an exchange request.

Please note that Vanguard reserves the right, without notice, to revise or terminate the exchange privilege, limit the amount of any exchange, or reject an exchange, at any time, for any reason. See *Frequent-Trading Limitations* for additional restrictions on exchanges.

Frequent-Trading Limitations

Because excessive transactions can disrupt management of a fund and increase the fund's costs for all shareholders, the board of trustees of each Vanguard fund places certain limits on frequent trading in the funds. Each Vanguard fund (other than money market funds and short-term bond funds) limits an investor's purchases or exchanges into a fund account for 60 calendar days after the investor has redeemed or exchanged out of that fund account. ETF Shares are not subject to these frequent-trading limits.

For Vanguard Retirement Investment Program pooled plans, the limitations apply to exchanges made online or by phone.

These frequent-trading limitations *do not* apply to the following:

- Purchases of shares with reinvested dividend or capital gains distributions.
- Transactions through Vanguard's Automatic Investment Plan, Automatic Exchange Service, Direct Deposit Service, Automatic Withdrawal Plan, Required Minimum Distribution Service, and Vanguard Small Business Online®.

- Redemptions of shares to pay fund or account fees.
- Transaction requests submitted by mail to Vanguard from shareholders who hold their accounts directly with Vanguard. (Transaction requests submitted by fax, if otherwise permitted, *are* subject to the limitations.)
- Transfers and reregistrations of shares within the same fund.
- Purchases of shares by asset transfer or direct rollover.
- Conversions of shares from one share class to another in the same fund.
- Checkwriting redemptions.
- Section 529 college savings plans.
- Certain approved institutional portfolios and asset allocation programs, as well as trades made by Vanguard funds that invest in other Vanguard funds. (Please note that *shareholders* of Vanguard's funds of funds *are* subject to the limitations.)

For participants in employer-sponsored defined contribution plans,* the frequent-trading limitations *do not* apply to:

- Purchases of shares with participant payroll or employer contributions or loan repayments.
- Purchases of shares with reinvested dividend or capital gains distributions.
- Distributions, loans, and in-service withdrawals from a plan.
- Redemptions of shares as part of a plan termination or at the direction of the plan.
- Automated transactions executed during the first six months of a participant's enrollment in the Vanguard Managed Account Program.
- Redemptions of shares to pay fund or account fees.
- Share or asset transfers or rollovers.
- Reregistrations of shares.
- Conversions of shares from one share class to another in the same fund.
- Exchange requests submitted by written request to Vanguard. (Exchange requests submitted by fax, if otherwise permitted, *are* subject to the limitations.)

* The following Vanguard fund accounts are subject to the frequent-trading limitations: SEP-IRAs, SIMPLE IRAs, certain Individual 403(b)(7) Custodial Accounts, and Vanguard Individual 401(k) Plans.

Accounts Held by Institutions (Other Than Defined Contribution Plans)

Vanguard will systematically monitor for frequent trading in institutional clients' accounts. If we detect suspicious trading activity, we will investigate and take appropriate action, which may include applying to a client's accounts the 60-day policy

previously described, prohibiting a client's purchases of fund shares, and/or revoking the client's exchange privilege.

Accounts Held by Intermediaries

When intermediaries establish accounts in Vanguard funds for the benefit of their clients, we cannot always monitor the trading activity of the individual clients. However, we review trading activity at the intermediary (omnibus) level, and if we detect suspicious activity, we will investigate and take appropriate action. If necessary, Vanguard may prohibit additional purchases of fund shares by an intermediary, including for the benefit of certain of the intermediary's clients. Intermediaries also may monitor their clients' trading activities with respect to Vanguard funds.

For those Vanguard funds that charge purchase and/or redemption fees, intermediaries will be asked to assess these fees on client accounts and remit these fees to the funds. The application of purchase and redemption fees and frequent-trading limitations may vary among intermediaries. There are no assurances that Vanguard will successfully identify all intermediaries or that intermediaries will properly assess purchase and redemption fees or administer frequent-trading limitations. If you invest with Vanguard through an intermediary, please read that firm's materials carefully to learn of any other rules or fees that may apply.

Other Rules You Should Know

Prospectus and Shareholder Report Mailings

Vanguard attempts to eliminate the unnecessary expense of duplicate mailings by sending just one summary prospectus (or prospectus) and/or shareholder report when two or more shareholders have the same last name and address. You may request individual prospectuses and reports by contacting our Client Services Department in writing, by telephone, or online.

Vanguard.com

Registration. If you are a registered user of *vanguard.com*, you can review your account holdings; buy, sell, or exchange shares of most Vanguard funds; and perform most other transactions online. You must register for this service online.

Electronic delivery. Vanguard can deliver your account statements, transaction confirmations, prospectuses, and shareholder reports electronically. If you are a registered user of *vanguard.com*, you can consent to the electronic delivery of these documents by logging on and changing your mailing preference under "Account Profile." You can revoke your electronic consent at any time online, and we will begin to send paper copies of these documents within 30 days of receiving your revocation.

Telephone Transactions

Automatic. When we set up your account, we'll automatically enable you to do business with us by telephone, *unless you instruct us otherwise in writing.*

Tele-Account®. To obtain fund and account information through Vanguard's automated telephone service, you must first establish a Personal Identification Number (PIN) by calling Tele-Account at 800-662-6273.

Proof of a caller's authority. We reserve the right to refuse a telephone request if the caller is unable to provide the requested information or if we reasonably believe that the caller is not an individual authorized to act on the account. Before we allow a caller to act on an account, we may request the following information:

- Authorization to act on the account (as the account owner or by legal documentation or other means).
- Account registration and address.
- Fund name and account number, if applicable.
- Other information relating to the caller, the account owner, or the account.

Good Order

We reserve the right to reject any transaction instructions that are not in "good order." Good order generally means that your instructions:

- Are provided by the person(s) authorized in accordance with Vanguard's policies and procedures to access the account and request transactions.
- Include the fund name and account number.
- Include the amount of the transaction (stated in dollars, shares, or percentage).

Written instructions also must include:

- Signature guarantees or notarized signatures, if required for the type of transaction. (Call Vanguard for specific requirements.)
- Any supporting documentation that may be required.

The requirements vary among types of accounts and transactions. For more information, consult our website at vanguard.com or see *Contacting Vanguard*.

Vanguard reserves the right, without notice, to revise the requirements for good order.

Future Trade-Date Requests

Vanguard does not accept requests to hold a purchase, redemption, or exchange transaction for a future date. All such requests will receive trade dates as previously described in *Purchasing Shares*, *Redeeming Shares*, and *Exchanging Shares*.

Vanguard reserves the right to return future-dated purchase checks.

Accounts With More Than One Owner

If an account has more than one owner or authorized person, Vanguard generally will accept instructions from any one owner or authorized person.

Responsibility for Fraud

Vanguard will not be responsible for any account losses because of fraud if we reasonably believe that the person transacting business on an account is authorized to do so. Please take precautions to protect yourself from fraud. Keep your account information private, and immediately review any account statements or other information that we provide to you. It is important that you contact Vanguard immediately about any transactions or changes to your account that you believe to be unauthorized.

Uncashed Checks

Please cash your distribution or redemption checks promptly. Vanguard will not pay interest on uncashed checks.

Dormant Accounts

If your account has no activity in it for a period of time, Vanguard may be required to transfer it to a state under the state's abandoned property law.

Unusual Circumstances

If you experience difficulty contacting Vanguard online or by telephone, you can send us your transaction request by regular or express mail. See *Contacting Vanguard* for addresses.

Investing With Vanguard Through Other Firms

You may purchase or sell shares of most Vanguard funds through a financial intermediary, such as a bank, broker, or investment advisor. Please consult your financial intermediary to determine which, if any, shares are available through that firm and to learn about other rules that may apply.

Please see *Frequent-Trading Limitations—Accounts Held by Intermediaries* for information about the assessment of any purchase or redemption fees and the monitoring of frequent trading for accounts held by intermediaries.

Account Service Fee

For most shareholders, Vanguard charges a \$20 account service fee on all fund accounts that have a balance below \$10,000 for any reason, including market fluctuation. The account service fee applies to both retirement *and* nonretirement fund accounts and will be assessed on fund accounts in all Vanguard funds,

regardless of a fund's minimum initial investment amount. The fee, which will be collected by redeeming fund shares in the amount of \$20, will be deducted from a fund account only once per calendar year.

If you register on *vanguard.com* and elect to receive electronic delivery of statements, reports, and other materials for all of your fund accounts, the account service fee for balances below \$10,000 will not be charged, so long as that election remains in effect.

The account service fee also *does not* apply to the following:

- Money market sweep accounts owned in connection with a Vanguard Brokerage Services® account.
- Accounts held through intermediaries.
- Accounts held by Voyager, Voyager Select, and Flagship clients. Eligibility is based on total household assets held at Vanguard, with a minimum of \$50,000 to qualify for Vanguard Voyager Services®, \$500,000 for Vanguard Voyager Select Services®, and \$1 million for Vanguard Flagship Services®. Vanguard determines eligibility by aggregating assets of all qualifying accounts held by the investor and immediate family members who reside at the same address. Aggregate assets include investments in Vanguard mutual funds, Vanguard ETFs®, certain annuities through Vanguard, the Vanguard 529 Plan, and certain small-business accounts. Assets in employer-sponsored retirement plans for which Vanguard provides recordkeeping services may be included in determining eligibility if the investor also has a personal account holding Vanguard mutual funds. Note that assets held in a Vanguard Brokerage Services account (other than Vanguard funds, including Vanguard ETFs) are not included when determining a household's eligibility.
- Participant accounts in employer-sponsored defined contribution plans.* Please consult your enrollment materials for the rules that apply to your account.
- Section 529 college savings plans.

* The following Vanguard fund accounts have alternative fee structures: SIMPLE IRAs, certain Individual 403(b)(7) Custodial Accounts, Vanguard Retirement Investment Program pooled plans, and Vanguard Individual 401(k) Plans.

Low-Balance Accounts

Each Fund reserves the right to liquidate a fund account whose balance falls below the minimum initial investment for any reason, including market fluctuation. This policy applies to nonretirement fund accounts and accounts that are held through intermediaries.

Right to Change Policies

In addition to the rights expressly stated elsewhere in this prospectus, Vanguard reserves the right, without notice, to (1) alter, add, or discontinue any conditions of purchase (including eligibility requirements), redemption, exchange, service, or privilege at any time; (2) accept initial purchases by telephone; (3) freeze any account and/or suspend account services if Vanguard has received reasonable notice of a dispute regarding the assets in an account, including notice of a dispute between the registered or beneficial account owners, or if Vanguard reasonably believes a fraudulent transaction may occur or has occurred; (4) temporarily freeze any account and/or suspend account services upon initial notification to Vanguard of the death of the shareholder until Vanguard receives required documentation in good order; (5) alter, impose, discontinue, or waive any purchase fee, redemption fee, account service fee, or other fees charged to a group of shareholders; and (6) redeem an account or suspend account privileges, without the owner's permission to do so, in cases of threatening conduct or activity Vanguard believes to be suspicious, fraudulent, or illegal. Changes may affect any or all investors. These actions will be taken when, at the sole discretion of Vanguard management, Vanguard reasonably believes they are deemed to be in the best interest of a fund.

Fund and Account Updates

Confirmation Statements

We will send (or provide online, whichever you prefer) a confirmation of your trade date and the amount of your transaction when you buy, sell, or exchange shares. However, we will not send confirmations reflecting only checkwriting redemptions or the reinvestment of dividend or capital gains distributions. For any month in which you had a checkwriting redemption, a Checkwriting Activity Statement will be sent to you itemizing the checkwriting redemptions for that month. Promptly review each confirmation statement that we provide to you. It is important that you contact Vanguard immediately with any questions you may have about any transaction reflected on a confirmation statement, or Vanguard will consider the transaction properly processed.

Portfolio Summaries

We will send (or provide online, whichever you prefer) quarterly portfolio summaries to help you keep track of your accounts throughout the year. Each summary shows the market value of your account at the close of the statement period, as well as all distributions, purchases, redemptions, exchanges, and transfers for the current calendar quarter. Promptly review each summary that we provide to you. It is important that you contact Vanguard immediately with any questions you may have

about any transaction reflected on the summary, or Vanguard will consider the transaction properly processed.

Tax Information Statements

For most accounts, we are required to provide annual tax forms to assist you in preparing your income tax returns. These forms, which are generally mailed in January, will report the previous year's dividends, capital gains distributions, proceeds from the sale of shares from taxable accounts, and distributions from IRAs and other retirement plans. Registered users of *vanguard.com* can also view these forms online. Vanguard may also provide you with additional tax-related documentation. For more information, consult our website at *vanguard.com* or see *Contacting Vanguard*.

Annual and Semiannual Reports

We will send (or provide online, whichever you prefer) reports about Vanguard Target Retirement Funds twice a year, in May and November. These reports include overviews of the financial markets and provide the following specific Fund information:

- Performance assessments and comparisons with industry benchmarks.
- Financial statements with listings of Fund holdings.

Portfolio Holdings

We generally post on our website at *vanguard.com*, in the **Portfolio** section of each Fund's Portfolio & Management page, a detailed list of the securities held by the Fund as of the end of the most recent calendar quarter. This list is generally updated within 30 days after the end of each calendar quarter. Vanguard may exclude any portion of these portfolio holdings from publication when deemed in the best interest of the Fund. We also generally post the ten largest stock portfolio holdings of the Fund and the percentage of the Fund's total assets that each of these holdings represents, as of the end of the most recent calendar quarter. This list is generally updated within 15 calendar days after the end of each calendar quarter. Please consult the Fund's *Statement of Additional Information* or our website for a description of the policies and procedures that govern disclosure of the Fund's portfolio holdings.

Contacting Vanguard

Web

| | |
|---|---|
| Vanguard.com 24 hours a day, 7 days a week | For the most complete source of Vanguard news For fund, account, and service information For most account transactions For literature requests |
|---|---|

Phone

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| Vanguard Tele-Account® 800-662-6273 (ON-BOARD) | For automated fund and account information Toll-free, 24 hours a day, 7 days a week |
| Investor Information 800-662-7447 (SHIP) (Text telephone for people with hearing impairment at 800-749-7273) | For fund and service information For literature requests Hours of operation: Monday–Friday, 8 a.m. to 10 p.m., Eastern time; Saturday, 9 a.m. to 4 p.m., Eastern time |
| Client Services 800-662-2739 (CREW) (Text telephone for people with hearing impairment at 800-749-7273) | For account information For most account transactions Hours of operation: Monday–Friday, 8 a.m. to 10 p.m., Eastern time; Saturday, 9 a.m. to 4 p.m., Eastern time |
| Institutional Division 888-809-8102 | For information and services for large institutional investors Hours of operation: Monday–Friday, 8:30 a.m. to 9 p.m., Eastern time |
| Intermediary Sales Support 800-997-2798 | For information and services for financial intermediaries including broker-dealers, trust institutions, insurance companies, and financial advisors Hours of operation: Monday–Friday, 8:30 a.m. to 7 p.m., Eastern time |

Vanguard Addresses

Please be sure to use the correct address. Use of an incorrect address could delay the processing of your transaction.

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| Regular Mail (Individuals) | The Vanguard Group P.O. Box 1110 Valley Forge, PA 19482-1110 |
| Regular Mail (Institutions) | The Vanguard Group P.O. Box 2900 Valley Forge, PA 19482-2900 |
| Registered, Express, or Overnight | The Vanguard Group 455 Devon Park Drive Wayne, PA 19087-1815 |

Additional Information

| | Inception Date | Suitable for IRAs | Newspaper Abbreviation | Vanguard Fund Number | CUSIP Number |
|-------------------------------|----------------|-------------------|------------------------|----------------------|--------------|
| Target Retirement Income Fund | 10/27/2003 | Yes | TgtRetInc | 308 | 92202E102 |
| Target Retirement 2005 Fund | 10/27/2003 | Yes | TgtRe2005 | 302 | 92202E201 |
| Target Retirement 2010 Fund | 6/7/2006 | Yes | TgtRe2010 | 681 | 92202E706 |
| Target Retirement 2015 Fund | 10/27/2003 | Yes | TgtRe2015 | 303 | 92202E300 |
| Target Retirement 2020 Fund | 6/7/2006 | Yes | TgtRe2020 | 682 | 92202E805 |
| Target Retirement 2025 Fund | 10/27/2003 | Yes | TgtRe2025 | 304 | 92202E409 |
| Target Retirement 2030 Fund | 6/7/2006 | Yes | TgtRe2030 | 695 | 92202E888 |
| Target Retirement 2035 Fund | 10/27/2003 | Yes | TgtRe2035 | 305 | 92202E508 |
| Target Retirement 2040 Fund | 6/7/2006 | Yes | TgtRe2040 | 696 | 92202E870 |
| Target Retirement 2045 Fund | 10/27/2003 | Yes | TgtRe2045 | 306 | 92202E607 |
| Target Retirement 2050 Fund | 6/7/2006 | Yes | TgtRe2050 | 699 | 92202E862 |
| Target Retirement 2055 Fund | 8/18/2010 | Yes | TgtRe2055 | 1487 | 92202E847 |
| Target Retirement 2060 Fund | 1/19/2012 | Yes | TgtRe2060 | 1691 | 92202E839 |

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Glossary of Investment Terms

Acquired Fund. Any mutual fund, business development company, closed-end investment company, or other pooled investment vehicle whose shares are owned by a fund.

Active Management. An investment approach that seeks to exceed the average returns of a particular financial market or market segment. Active managers rely on research, market forecasts, and their own judgment and experience in selecting securities to buy and sell.

Barclays Capital U.S. Aggregate Bond Index. An index that is the broadest representation of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with investment-grade ratings (rated Baa3 or above by Moody's) and maturities of 1 year or more.

Barclays Capital U.S. Aggregate Float Adjusted Index. An index that is the broadest measure of the taxable U.S. bond market with investment-grade ratings and maturities of 1 year or more. This index weights its constituent securities based on the value of the constituent securities that are available for public trading, rather than the value of all constituent securities.

Bond. A debt security (IOU) issued by a corporation, government, or government agency in exchange for the money you lend it. In most instances, the issuer agrees to pay back the loan by a specific date and generally to make regular interest payments until that date.

Capital Gains Distribution. Payment to mutual fund shareholders of gains realized on securities that a fund has sold at a profit, minus any realized losses.

Cash Investments. Cash deposits, short-term bank deposits, and money market instruments that include U.S. Treasury bills and notes, bank certificates of deposit (CDs), repurchase agreements, commercial paper, and banker's acceptances.

Common Stock. A security representing ownership rights in a corporation. A stockholder is entitled to share in the company's profits, some of which may be paid out as dividends.

Coupon. The interest rate paid by the issuer of a debt security until its maturity. It is expressed as an annual percentage of the face value of the security.

Dividend Distribution. Payment to mutual fund shareholders of income from interest or dividends generated by a fund's investments.

Dow Jones U.S. Total Stock Market Index. An index that represents the entire U.S. stock market and tracks more than 5,000 stocks.

Expense Ratio. A fund's total annual operating expenses expressed as a percentage of the fund's average net assets. The expense ratio includes management and administrative expenses, but does not include the transaction costs of buying and selling portfolio securities.

Fixed Income Security. An investment, such as a bond, representing a debt that must be repaid by a specified date, and on which the borrower must pay a fixed, variable, or floating rate of interest.

Float-Adjusted Index. An index that weights its constituent securities based on the value of the constituent securities that are available for public trading, rather than the value of all constituent securities. Some portion of an issuer's securities may be unavailable for public trading because, for example, those securities are owned by company insiders on a restricted basis or by a government agency. By excluding unavailable securities, float-adjusted indexes can produce a more accurate picture of the returns actually experienced by investors in the measured market.

Fund of Funds. A mutual fund that pursues its objective by investing in other mutual funds.

Inception Date. The date on which the assets of a fund (or one of its share classes) are first invested in accordance with the fund's investment objective. For funds with a subscription period, the inception date is the day after that period ends. Investment performance is generally measured from the inception date.

Investment-Grade Bond. A debt security whose credit quality is considered by independent bond-rating agencies, or through independent analysis conducted by a fund's advisor, to be sufficient to ensure timely payment of principal and interest under current economic circumstances. Debt securities rated in one of the four highest rating categories are considered "investment grade." Other debt securities may be considered by an advisor to be investment grade.

Median Market Capitalization. An indicator of the size of companies in which a fund invests; the midpoint of market capitalization (market price x shares outstanding) of a fund's stocks, weighted by the proportion of the fund's assets invested in each stock. Stocks representing half of the fund's assets have market capitalizations above the median, and the rest are below it.

MSCI All Country World ex USA Investable Market Index. A free float-adjusted market capitalization index that is designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

MSCI US Broad Market Index. An index that tracks virtually all stocks that trade in the U.S. stock market.

Mutual Fund. An investment company that pools the money of many people and invests it in a variety of securities in an effort to achieve a specific objective over time.

Passive Management. A low-cost investment strategy in which a mutual fund attempts to track—rather than outperform—a specified market benchmark or “index”; also known as indexing.

Target Income and 2005 Composite Indexes. Indexes derived by applying the applicable Target Retirement Fund’s target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for emerging markets stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Bond Index through December 31, 2009, and the Barclays Capital U.S. Aggregate Float Adjusted Index thereafter, as well as the Barclays Capital U.S. Treasury Inflation Protected Securities Index; for short-term reserves, the Citigroup Three-Month Treasury Bill Index; and for U.S. stocks, the Dow Jones Wilshire 5000 Index through April 22, 2005, and the MSCI US Broad Market Index thereafter. The returns of the MSCI EAFE Index and MSCI ACWI ex USA IMI Index are adjusted for withholding taxes applicable to Luxembourg holding companies.

Target 2010 Composite Index. An index derived by applying the Target Retirement 2010 Fund’s target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for emerging markets stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Bond Index through December 31, 2009, and the Barclays Capital U.S. Aggregate Float Adjusted Index thereafter, as well as the Barclays Capital U.S. Treasury Inflation Protected Securities Index; for short-term reserves, the Citigroup Three-Month Treasury Bill Index; and for U.S. stocks, the MSCI US Broad Market Index. The returns of the MSCI EAFE Index and the MSCI ACWI ex USA IMI Index are adjusted for withholding taxes applicable to Luxembourg holding companies.

Target 2015 Composite Index. An index derived by applying the fund’s target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for emerging markets stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Bond Index through December 31, 2009, and the Barclays Capital U.S. Aggregate Float Adjusted Index thereafter, as well as the Barclays

Capital U.S. Treasury Inflation Protected Securities Index; and for U.S. stocks, the Dow Jones Wilshire 5000 Index through April 22, 2005, and the MSCI US Broad Market Index thereafter. The MSCI EAFE Index and the MSCI ACWI ex USA IMI Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

Target 2020, 2030, 2040, and 2050 Composite Indexes. Indexes derived by applying the applicable Target Retirement Fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for emerging markets stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Bond Index through December 31, 2009, and the Barclays Capital U.S. Aggregate Float Adjusted Index thereafter; and for U.S. stocks, the MSCI US Broad Market Index. The MSCI EAFE Index and the MSCI ACWI ex USA IMI Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

Target 2025, 2035, and 2045 Composite Indexes. Indexes derived by applying the applicable Target Retirement Fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for emerging markets stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Bond Index through December 31, 2009, and the Barclays Capital U.S. Aggregate Float Adjusted Index thereafter; and for U.S. stocks, the Dow Jones Wilshire 5000 Index through April 22, 2005, and the MSCI US Broad Market Index thereafter. The MSCI EAFE Index and the MSCI ACWI ex USA IMI Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

Target 2055 Composite Index. An index derived by applying the Target Retirement 2055 Fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for emerging markets stocks, the MSCI Emerging Markets Index through December 15, 2010, and the MSCI ACWI ex USA IMI Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Float Adjusted Index; and for U.S. stocks, the MSCI US Broad Market Index. The MSCI EAFE Index and the MSCI ACWI ex USA IMI Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

Total Return. A percentage change, over a specified time period, in a mutual fund's net asset value, assuming the reinvestment of all distributions of dividends and capital gains.

Volatility. The fluctuations in value of a mutual fund or other security. The greater a fund's volatility, the wider the fluctuations in its returns.

Yield. Income (interest or dividends) earned by an investment, expressed as a percentage of the investment's price.



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For More Information

If you would like more information about Vanguard Target Retirement Funds, the following documents are available free upon request:

Annual/Semiannual Reports to Shareholders

Additional information about the Funds' investments is available in the Funds' annual and semiannual reports to shareholders. In the annual reports, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

Statement of Additional Information (SAI)

The SAI provides more detailed information about the Funds and is incorporated by reference into (and thus legally a part of) this prospectus.

To receive a free copy of the latest annual or semiannual report or the SAI, or to request additional information about the Funds or other Vanguard funds, please visit vanguard.com or contact us as follows:

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Investor Information Department
P.O. Box 2600
Valley Forge, PA 19482-2600
Telephone: 800-662-7447 (SHIP)
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Information Provided by the Securities and Exchange Commission (SEC)

You can review and copy information about the Funds (including the SAI) at the SEC's Public Reference Room in Washington, DC. To find out more about this public service, call the SEC at 202-551-8090. Reports and other information about the Funds are also available in the EDGAR database on the SEC's website at sec.gov, or you can receive copies of this information, for a fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-1520.

Funds' Investment Company Act file number: 811-4098

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