



## **Vanguard® Funds Prospectus Supplement**

### **IMPORTANT INFORMATION ABOUT NEW CASH MANAGEMENT OPTION**

To meet the cash management needs of the Vanguard funds, Vanguard may invest the daily cash balance of a fund in one or more Vanguard CMT Funds, which are very low-cost money market funds established under a Securities and Exchange Commission exemptive order. Each Vanguard fund bears its proportionate share of the “at-cost” expenses of the Vanguard CMT Fund in which it invests.



## **Vanguard® Funds Prospectus Supplement**

### **IMPORTANT INFORMATION ABOUT VANGUARD'S EXCHANGE PRIVILEGES EFFECTIVE IMMEDIATELY**

The exchange privilege that applies to the U.S. Stock Index Funds, U.S. Sector Index Funds, International Stock Index Funds, REIT Index Fund, Balanced Index Fund, Calvert Social Index Fund, International Growth Fund, International Value Fund, International Explorer™ Fund, and Growth and Income Fund no longer prohibits online or telephone exchanges between 2:30 p.m. and 4 p.m., Eastern time, on business days. All other limits on the exchange privilege described in the prospectus remain in effect.

Thank you for downloading the Vanguard Target Retirement Funds prospectus (dated October 27, 2003). We hope it provides the information you need to decide whether this is the right investment for you.

This file contains a prospectus, account registration form, and instructions for completing the form. The account registration form can be used to open a nonretirement account only. If you wish to open a retirement or brokerage account, you can download the appropriate forms from the Forms, Kits, and Brochures area of the **Education, Planning, and Advice** section of our website ([www.vanguard.com](http://www.vanguard.com)), or call us toll-free at 1-800-871-3879.

To establish your account with us, you need to:

1. Read the prospectus.
2. Print the account registration form and instructions found in this file.
3. Complete all the information on the account registration form that applies to you.
4. Make sure that the information you provide is **exactly** the way you want it to appear on your records. For example, you may want to register your accounts exactly as your name appears on other financial or legal documents.
5. Mail your completed form and check to us at:

The Vanguard Group  
P.O. Box 1110  
Valley Forge, PA 19482-1110

If you need help completing the form, call a Vanguard Investor Information Associate at 1-800-871-3879. Associates are available Monday through Friday between 8 a.m. and 9 p.m. Eastern time, and Saturday between 9 a.m. and 4 p.m. Eastern time.

**Note:** Additional information is available on this fund, including the most recent annual report and semiannual report. They can be downloaded from the Prospectuses and Reports area of our website's **Funds Directory**.

You can also request the prospectus's Statement of Additional Information ("Part B") by calling us or visiting the Securities and Exchange Commission's website—[www.sec.gov](http://www.sec.gov). This site contains the Statement of Additional Information, material incorporated by reference, and other information about the fund.

Vanguard funds are offered by prospectus only. You should read the prospectus before investing in any fund to ensure the fund is appropriate for your goals and risk tolerance. The prospectus contains important information about a fund's objectives, strategies, risks, advisory fees, distribution charges, and other expenses. To obtain a prospectus by mail, you can order through our website or call us.

# Vanguard® Target Retirement Funds

*Investor Shares • October 27, 2003*

This is the Funds' initial prospectus and contains no performance data.

BALANCED

prospectus

**Vanguard Target Retirement Income Fund**

**Vanguard Target Retirement 2005 Fund**

**Vanguard Target Retirement 2015 Fund**

**Vanguard Target Retirement 2025 Fund**

**Vanguard Target Retirement 2035 Fund**

**Vanguard Target Retirement 2045 Fund**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

THE Vanguard GROUP

# Vanguard Target Retirement Funds

Prospectus

October 27, 2003

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Glossary *(inside back cover)*

### Why Reading This Prospectus Is Important

This prospectus explains the investment objective, policies, strategies, and risks associated with each Fund. To highlight terms and concepts important to mutual fund investors, we have provided Plain Talk<sup>®</sup> 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.

# An Introduction to 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 four 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.”*

*The Target Retirement Income Fund is designed for investors currently in retirement, and its investments are expected to remain stable over time. The other Target Retirement Funds are designed for investors who plan to retire close to the year indicated in the Funds’ names. These Funds’ investment allocations will become more conservative over time as the target retirement date draws closer. The Funds’ asset allocations are based on Vanguard’s experience in providing investment advice to our clients.*

*Below you’ll find profiles that summarize the key features of each Fund. Following the profiles, there is important additional information about the Funds.*

## 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, rather than in individual stocks or bonds. 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.

## Fund Profile—Vanguard® Target Retirement Income Fund

### INVESTMENT OBJECTIVE

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

### PRIMARY INVESTMENT STRATEGIES

The Fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors currently in retirement. The percentages of the Fund’s assets allocated to each of the underlying funds are:

■ Vanguard® Total Bond Market Index Fund	50%
■ Vanguard® Inflation-Protected Securities Fund	25%
■ Vanguard® Total Stock Market Index Fund	20%
■ Vanguard® Prime Money Market Fund	5%

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 indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks.

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

## PRIMARY RISKS

The Fund is subject to several stock, bond, and money market risks, any of which could cause an investor to lose money. However, because bonds and money market instruments usually are less volatile than stocks, and because the Fund invests most of its assets in bonds and money market instruments, the Fund's overall level of risk should be relatively low.

- With approximately 80% of its assets allocated to bonds and money market instruments, the Fund is primarily subject to bond and money market 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 falling interest rates will cause the Fund's income to decline; *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 security prices to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.
- With approximately 20% of its assets allocated to stocks, the 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.
- The Fund is also subject to *manager risk*, which is the chance that poor security selection will cause the Fund's actively managed underlying funds—and, thus, the Fund itself—to underperform funds with a similar investment objective.
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds and the allocation of Fund assets to those funds will cause the Fund to underperform other funds with a similar investment objective.

For additional information on investment risks, see **More on the Funds**.

## PERFORMANCE/RISK INFORMATION

The Fund began operations on October 27, 2003, so performance information for a full calendar year is not yet available.

## FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The expenses shown under *Annual Fund Operating Expenses* are based on estimated amounts for the current fiscal year.

### 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

### ANNUAL FUND OPERATING EXPENSES (*expenses deducted from the Fund's assets*)

Total Annual Fund Operating Expenses:	None*
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\*Although the Fund is not expected to incur any net expenses directly, the Fund's shareholders indirectly bear the expenses of the underlying Vanguard funds in which the Fund invests. See **The Funds and Vanguard**. The Fund's annualized indirect expense ratio, based on its underlying investments, is estimated at 0.22% for the current fiscal year.

The following example is intended to help you compare the cost of investing in the Fund 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 match our estimates. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years
\$23	\$71

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

## Additional Information

**Dividends and Capital Gains**  
Distributed quarterly in March, June, September, and December

**Investment Advisor**  
The Vanguard Group, Valley Forge, Pa., since inception

**Inception Date**  
October 27, 2003

**Suitable for IRAs**  
Yes

**Minimum Initial Investment**  
\$3,000; \$1,000 for IRAs and most custodial accounts for minors

**Newspaper Abbreviation**  
TgtRetInc

**Vanguard Fund Number**  
308

**Cusip Number**  
92202E102

**Ticker Symbol**  
VTINX

## Fund Profile—Vanguard® Target Retirement 2005 Fund

### INVESTMENT OBJECTIVE

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

### PRIMARY INVESTMENT STRATEGIES

The Fund currently invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2005. The Fund's asset allocation will become more conservative over time. Within 5 to 10 years after 2005, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. The initial asset allocation for the Fund is as follows:

- Vanguard Total Bond Market Index Fund 50%
- Vanguard Total Stock Market Index Fund 35%
- Vanguard Inflation-Protected Securities Fund 15%

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 indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, of mid- and small-cap U.S. stocks.

### PRIMARY RISKS

The Fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. However, because bonds usually are less volatile than stocks, and because the Fund invests more than half of its assets in fixed income securities, the Fund's overall level of risk should be low to moderate.

- With approximately 65% of its assets initially allocated to bonds, the Fund is 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 falling interest rates will cause the Fund's income to decline; *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 security prices to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. For mortgage-backed securities, this risk is known as *prepayment risk*.
- With approximately 35% of its assets initially allocated to stocks, the 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.
- The Fund is also subject to *manager risk*, which is the chance that poor security selection will cause the actively managed underlying fund—and, thus, the Fund itself—to underperform funds with a similar investment objective.
- The Fund is also subject to *asset allocation risk*, which is the chance that the selection of underlying funds and the allocation of Fund assets to those funds will cause the Fund to underperform other funds with a similar investment objective.

For additional information on investment risks, see **More on the Funds**.

### PERFORMANCE/RISK INFORMATION

The Fund began operations on October 27, 2003, so performance information for a full calendar year is not yet available.

## FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The expenses shown under *Annual Fund Operating Expenses* are based on estimated amounts for the current fiscal year.

SHAREHOLDER FEES <i>(fees paid directly from your investment)</i>	
Sales Charge (Load) Imposed on Purchases:	None
Purchase Fee:	None
Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fee:	None

ANNUAL FUND OPERATING EXPENSES <i>(expenses deducted from the Fund's assets)</i>	
Total Annual Fund Operating Expenses:	None*

\*Although the Fund is not expected to incur any net expenses directly, the Fund's shareholders indirectly bear the expenses of the underlying Vanguard funds in which the Fund invests. See **The Funds and Vanguard**. The Fund's annualized indirect expense ratio, based on its underlying investments, is estimated at 0.21% for the current fiscal year.

The following example is intended to help you compare the cost of investing in the Fund 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 match our estimates. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years
\$22	\$68

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

## Additional Information

Dividends and Capital Gains  
Distributed annually in December

Investment Advisor  
The Vanguard Group, Valley Forge, Pa.,  
since inception

Inception Date  
October 27, 2003

Suitable for IRAs  
Yes

Minimum Initial Investment  
\$3,000; \$1,000 for IRAs and most custodial  
accounts for minors

Newspaper Abbreviation  
TgtRe2005

Vanguard Fund Number  
302

Cusip Number  
92202E201

Ticker Symbol  
VTOVX

# Fund Profile—Vanguard® Target Retirement 2015 Fund

## INVESTMENT OBJECTIVE

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

## PRIMARY INVESTMENT STRATEGIES

The Fund currently invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2015. The Fund's asset allocation will become more conservative over time. Within 5 to 10 years after 2015, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. The initial asset allocation for the Fund is as follows:

■ Vanguard Total Bond Market Index Fund	50%
■ Vanguard Total Stock Market Index Fund	40%
■ Vanguard® European Stock Index Fund	7%
■ Vanguard® Pacific Stock Index Fund	3%

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. The Fund also invests a portion of its assets in foreign stocks. The Fund's indirect bond holdings are a diversified mix of investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities, all with maturities of more than 1 year.

## PRIMARY RISKS

The Fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. However, because bonds usually are less volatile than stocks, and because the Fund invests a significant portion of its assets in bonds, the Fund's overall level of risk should be moderate.

- With approximately 50% of its assets initially allocated to stocks, the 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. The Fund is also subject to the following risks associated with investments in foreign stocks: *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 risk*, which is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets; and *regional risk*, which is the chance that an entire region—namely, the Europe and Pacific region—will be hurt by political upheaval, financial troubles, or natural disasters.
- With approximately 50% of its assets initially allocated to bonds, the Fund is 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 falling interest rates will cause the Fund's income to decline; *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 security prices to decline, thus reducing the underlying fund's return; and *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower

interest rates, resulting in a decline in the 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 Fund assets to those funds will cause the Fund to underperform other funds with a similar investment objective.

For additional information on investment risks, see **More on the Funds**.

#### PERFORMANCE/RISK INFORMATION

The Fund began operations on October 27, 2003, so performance information for a full calendar year is not yet available.

#### FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The expenses shown under *Annual Fund Operating Expenses* are based on estimated amounts for the current fiscal year.

##### 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

##### ANNUAL FUND OPERATING EXPENSES (*expenses deducted from the Fund's assets*)

Total Annual Fund Operating Expenses:	None*
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\*Although the Fund is not expected to incur any net expenses directly, the Fund's shareholders indirectly bear the expenses of the underlying Vanguard funds in which the Fund invests. See **The Funds and Vanguard**. The Fund's annualized indirect expense ratio, based on its underlying investments, is estimated at 0.23% for the current fiscal year.

The following example is intended to help you compare the cost of investing in the Fund 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 match our estimates. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years
\$24	\$74

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

## Additional Information

### Dividends and Capital Gains

Distributed annually in December

### Investment Advisor

The Vanguard Group, Valley Forge, Pa., since inception

### Inception Date

October 27, 2003

### Suitable for IRAs

Yes

### Minimum Initial Investment

\$3,000; \$1,000 for IRAs and most custodial accounts for minors

### Newspaper Abbreviation

TgtRe2015

### Vanguard Fund Number

303

### Cusip Number

92202E300

### Ticker Symbol

VTXVX

## Fund Profile—Vanguard® Target Retirement 2025 Fund

### INVESTMENT OBJECTIVE

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

### PRIMARY INVESTMENT STRATEGIES

The Fund currently invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2025. The Fund's asset allocation will become more conservative over time. Within 5 to 10 years after 2025, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. The initial asset allocation for the Fund is as follows:

■ Vanguard Total Stock Market Index Fund	48%
■ Vanguard Total Bond Market Index Fund	40%
■ Vanguard European Stock Index Fund	8%
■ Vanguard Pacific Stock Index Fund	4%

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. The Fund also invests a portion of its assets in foreign stocks. The Fund's indirect bond holdings are a diversified mix of investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities, all with maturities of more than 1 year.

### PRIMARY RISKS

The Fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. Because stocks usually are more volatile than bonds, and because the Fund initially will invest 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 60% of its assets initially allocated to stocks, the 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. The Fund is also subject to the following risks associated with investments in foreign stocks: *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 risk*, which is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets; and *regional risk*, which is the chance that an entire region—namely, the Europe and Pacific region—will be hurt by political upheaval, financial troubles, or natural disasters.

- With approximately 40% of its assets initially allocated to bonds, the Fund is 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 falling interest rates will cause the Fund's income to decline; *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 security prices to decline, thus reducing the underlying fund's return; *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the 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 Fund assets to those funds will cause the Fund to underperform other funds with a similar investment objective.

For additional information on investment risks, see **More on the Funds**.

#### PERFORMANCE/RISK INFORMATION

The Fund began operations on October 27, 2003, so performance information for a full calendar year is not yet available.

#### FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The expenses shown under *Annual Fund Operating Expenses* are based on estimated amounts for the current fiscal year.

##### 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

##### ANNUAL FUND OPERATING EXPENSES (*expenses deducted from the Fund's assets*)

Total Annual Fund Operating Expenses:	None*
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\*Although the Fund is not expected to incur any net expenses directly, the Fund's shareholders indirectly bear the expenses of the underlying Vanguard funds in which the Fund invests. See **The Funds and Vanguard**. The Fund's annualized indirect expense ratio, based on its underlying investments, is estimated at 0.23% for the current fiscal year.

The following example is intended to help you compare the cost of investing in the Fund 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 match our estimates. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years
\$24	\$74

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

## Additional Information

Dividends and Capital Gains  
Distributed annually in December

Investment Advisor  
The Vanguard Group, Valley Forge, Pa.,  
since inception

Inception Date  
October 27, 2003

Suitable for IRAs  
Yes

Minimum Initial Investment  
\$3,000; \$1,000 for IRAs and most custodial  
accounts for minors

Newspaper Abbreviation  
TgtRe2025

Vanguard Fund Number  
304

Cusip Number  
92202E409

Ticker Symbol  
VTTVX

## Fund Profile—Vanguard® Target Retirement 2035 Fund

### INVESTMENT OBJECTIVE

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

### PRIMARY INVESTMENT STRATEGIES

The Fund currently invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2035. The Fund's asset allocation will become more conservative over time. Within 5 to 10 years after 2035, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. The initial allocation for the Fund is as follows:

■ Vanguard Total Stock Market Index Fund	64%
■ Vanguard Total Bond Market Index Fund	20%
■ Vanguard European Stock Index Fund	11%
■ Vanguard Pacific Stock Index Fund	5%

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. The Fund also invests a portion of its assets in foreign stocks. The Fund's indirect bond holdings are a diversified mix of investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities, all with maturities of more than 1 year.

## PRIMARY RISKS

The Fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. Because stocks usually are more volatile than bonds, and because the Fund initially will invest 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 initially allocated to stocks, the Fund is primarily 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: *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 risk*, which is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets; and *regional risk*, which is the chance that an entire region—namely, the Europe and Pacific region—will be hurt by political upheaval, financial troubles, or natural disasters.
- With approximately 20% of its assets initially allocated to bonds, the Fund is 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 falling interest rates will cause the Fund's income to decline; *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 security prices to decline, thus reducing the underlying fund's return; *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the 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 Fund assets to those funds will cause the Fund to underperform other funds with a similar investment objective.

For additional information on investment risks, see **More on the Funds**.

## PERFORMANCE/RISK INFORMATION

The Fund began operations on October 27, 2003, so performance information for a full calendar year is not yet available.

## FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The expenses shown under *Annual Fund Operating Expenses* are based on estimated amounts for the current fiscal year.

SHAREHOLDER FEES <i>(fees paid directly from your investment)</i>	
Sales Charge (Load) Imposed on Purchases:	None
Purchase Fee:	None
Sales Charge (Load) Imposed on Reinvested Dividends:	None
Redemption Fee:	None

ANNUAL FUND OPERATING EXPENSES <i>(expenses deducted from the Fund's assets)</i>	
Total Annual Fund Operating Expenses:	None*

\*Although the Fund is not expected to incur any net expenses directly, the Fund's shareholders indirectly bear the expenses of the underlying Vanguard funds in which the Fund invests. See **The Funds and Vanguard**. The Fund's annualized indirect expense ratio, based on its underlying investments, is estimated at 0.23% for the current fiscal year.

The following example is intended to help you compare the cost of investing in the Fund 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 match our estimates. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years
\$24	\$74

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

## Additional Information

Dividends and Capital Gains  
Distributed annually in December

Investment Advisor  
The Vanguard Group, Valley Forge, Pa.,  
since inception

Inception Date  
October 27, 2003

Suitable for IRAs  
Yes

Minimum Initial Investment  
\$3,000; \$1,000 for IRAs and most custodial  
accounts for minors

Newspaper Abbreviation  
TgtRe2035

Vanguard Fund Number  
305

Cusip Number  
92202E508

Ticker Symbol  
VTTHX

# Fund Profile—Vanguard® Target Retirement 2045 Fund

## INVESTMENT OBJECTIVE

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

## PRIMARY INVESTMENT STRATEGIES

The Fund currently invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2045. The Fund's asset allocation will become more conservative over time. Within 5 to 10 years after 2045, the Fund's asset allocation should become similar to that of the Target Retirement Income Fund. The initial asset allocation for the Fund is as follows:

■ Vanguard Total Stock Market Index Fund	72%
■ Vanguard Total Bond Market Index Fund	10%
■ Vanguard European Stock Index Fund	13%
■ Vanguard Pacific Stock Index Fund	5%

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. The Fund also invests a portion of its assets in foreign stocks. The Fund's indirect bond holdings are a diversified mix of investment-grade, taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities, all with maturities of more than 1 year.

## PRIMARY RISKS

The Fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. Because stocks usually are more volatile than bonds, and because the Fund initially will invest 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 initially allocated to stocks, the Fund is primarily 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: *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 risk*, which is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets; and *regional risk*, which is the chance that an entire region—namely, the Europe and Pacific region—will be hurt by political upheaval, financial troubles, or natural disasters.
- With approximately 10% of its assets initially allocated to bonds, the Fund is 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 falling interest rates will cause the Fund's income to decline; *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 security prices to decline, thus reducing the underlying fund's return; *call risk*, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price

appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the 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 Fund assets to those funds will cause the Fund to underperform other funds with a similar investment objective.

For additional information on investment risks, see **More on the Funds**.

#### PERFORMANCE/RISK INFORMATION

The Fund began operations on October 27, 2003, so performance information for a full calendar year is not yet available.

#### FEES AND EXPENSES

The following table describes the fees and expenses you may pay if you buy and hold shares of the Fund. The expenses shown under *Annual Fund Operating Expenses* are based on estimated amounts for the current fiscal year.

##### 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

##### ANNUAL FUND OPERATING EXPENSES (*expenses deducted from the Fund's assets*)

Total Annual Fund Operating Expenses:	None*
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\*Although the Fund is not expected to incur any net expenses directly, the Fund's shareholders indirectly bear the expenses of the underlying Vanguard funds in which the Fund invests. See **The Funds and Vanguard**. The Fund's annualized indirect expense ratio, based on its underlying investments, is estimated at 0.23% for the current fiscal year.

The following example is intended to help you compare the cost of investing in the Fund 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 match our estimates. The results apply whether or not you redeem your investment at the end of the given period.

1 Year	3 Years
\$24	\$74

This example should not be considered to represent actual expenses or performance from the past or for the future. Actual future expenses may be higher or lower than those shown.

## Additional Information

### Dividends and Capital Gains

Distributed annually in December

### Investment Advisor

The Vanguard Group, Valley Forge, Pa.,  
since inception

### Inception Date

October 27, 2003

### Suitable for IRAs

Yes

### Minimum Initial Investment

\$3,000; \$1,000 for IRAs and most custodial  
accounts for minors

### Newspaper Abbreviation

TgtRe2045

### Vanguard Fund Number

306

### Cusip Number

92202E607

### Ticker Symbol

VTIVX

## 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 daily 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.

The following sections explain the primary investment strategies and policies that each Fund uses in pursuit of its objective. The Funds' board of trustees, which oversees the Funds' 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 three or four underlying funds, each is classified as nondiversified. However, through its investments in these underlying funds, each of the Target Retirement Funds indirectly owns a diverse portfolio.

### ASSET ALLOCATION FRAMEWORK

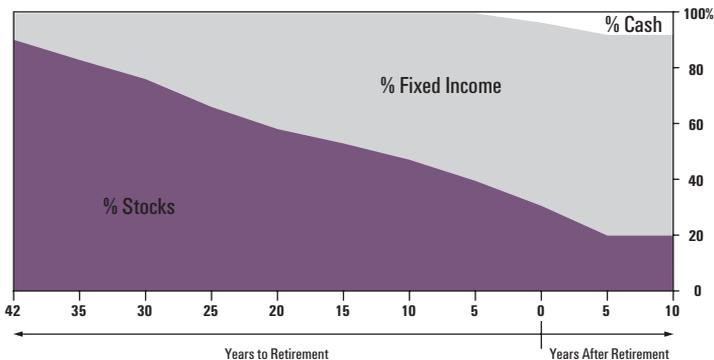
Asset allocation—that is, dividing your investment among stocks, bonds, and short-term investments—is one of the most critical decisions you can make as an investor. It is also important to recognize that the asset allocation strategy you use today may not be appropriate as you move closer to retirement.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

The tables below show the initial asset allocations for each Fund.

Underlying Vanguard Fund	Target Retirement Fund					
	2045	2035	2025	2015	2005	Income
Total Stock Market Index	72%	64%	48%	40%	35%	20%
European Stock Index	13	11	8	7	0	0
Pacific Stock Index	5	5	4	3	0	0
Total Bond Market Index	10	20	40	50	50	50
Inflation-Protected Securities	0	0	0	0	15	25
Prime Money Market	0	0	0	0	0	5
Client's Target Age	20s	30s	40s	50s	60s	70s

Each Fund's advisor allocates the Fund's assets among the underlying funds based on the Fund's 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 5 to 10 years after the year indicated in the Fund's name.

The following chart shows how we expect the asset allocations for the Target Retirement Funds to change over time. The actual asset allocations may differ from this chart. The Funds' investments in the underlying funds may be affected by a variety of factors. For example, an underlying fund may stop accepting or 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, several of the Target Retirement Funds also invest in funds that own foreign stocks.

 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 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 (1926–2002)				
	1 Year	5 Years	10 Years	20 Years
Best	54.2%	28.6%	19.9%	17.8%
Worst	-43.1	-12.4	-0.8	3.1
Average	12.2	10.9	11.2	11.4

The table covers all of the 1-, 5-, 10-, and 20-year periods from 1926 through 2002. You can see, for example, that while the average return on common stocks for *all* of the 5-year periods was 10.9%, average returns for *individual* 5-year periods ranged from -12.4% (from 1928 through 1932) to 28.6% (from 1995 through 1999). These average returns reflect *past* performance on common stocks; you should not regard them as an indication of *future* returns from either the stock market as a whole or these Funds in particular.

Through investments in one underlying fund (the Total Stock Market Index Fund), each Fund holds a representative sample of the stocks that make up the Wilshire 5000 Total Market Index, which measures the investment return of the overall stock market.

Keep in mind that a significant portion of the market value of the Wilshire 5000 Index (about 21% as of July 31, 2003) 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 July 31, 2003, the *domestic* equity portions of the underlying funds had median market capitalizations exceeding \$26 billion. The *international* equity portions of the underlying funds had median market capitalizations exceeding \$43 billion.

By owning shares of Vanguard European and Pacific Stock Index Funds, four of the Funds are subject to *country risk* and *currency risk*. *Country risk* is the chance that domestic events—such as political upheaval, financial troubles, or natural disasters—will weaken a country's securities markets. This could cause investments in that country to lose money. *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.

#### Bonds

By owning shares of Vanguard Total Bond Market Index Fund, each of the Target Retirement Funds indirectly invests, to varying degrees, in government and corporate bonds, as well as mortgage-backed securities. Through their investments in Vanguard

Inflation-Protected Securities Fund, the Target Retirement Income and Target Retirement 2005 Funds also invest in inflation-indexed bonds.

PLAIN TALK ABOUT  
Inflation-Indexed Securities

Unlike a conventional bond, which makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed security (IIS) makes the principal and interest payments that are adjusted over time to reflect inflation—a rise in the general price level. This adjustment is a key feature, given that the Consumer Price Index (CPI) has risen in 49 of the past 50 years. (Source: Bureau of Labor Statistics.) Importantly, in the event of sustained deflation, or a drop in prices, the U.S. Treasury has guaranteed that it would repay at least the original face value of an IIS.



Each Fund is subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk is modest for shorter-term bonds and high for longer-term bonds.

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. For instance, prices of long-term bonds fell by almost 48% between December 1976 and September 1981.

To illustrate the relationship between bond prices and interest rates, the following table shows the effect of a 1% and a 2% change (both up and down) in interest rates on three bonds of different maturities, each with a face value of \$1,000.

How Interest Rate Changes Affect The Value of a \$1,000 Bond*				
Type of Bond (Maturity)	After a 1% Increase	After a 1% Decrease	After a 2% Increase	After a 2% Decrease
Short-Term (2.5 years)	\$977	\$1,024	\$955	\$1,048
Intermediate-Term (10 years)	926	1,082	858	1,172
Long-Term (20 years)	884	1,137	786	1,299

\*Assuming a 5% yield.

These figures are for illustration only; you should not regard them as an indication of future returns from the bond market as a whole or any Fund in particular.

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

## 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 5% yield. A year later, interest rates are on the rise and bonds of comparable quality and maturity are offered with a 6% yield. With higher-yielding bonds available, you would have trouble selling your 5% 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 4% bonds were being offered, you should be able to sell your 5% 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 “drag” on price, 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, rates on an inflation-indexed security 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. In the past, interest rates on conventional bonds have varied considerably more than real rates because of wide fluctuations in actual and expected inflation (annual changes in the Consumer Price Index since 1925 have ranged from -10% to +18% and have averaged +3.1%). (Source: Bureau of Labor Statistics.) Because real interest yields have been relatively stable, the prices of IISs have generally fluctuated less than those of conventional bonds with comparable maturity and credit-quality characteristics.



Each Fund is subject to call risk, which is the chance that during periods of falling interest rates, issuers will call—or repay—higher-yielding bonds that are callable before their maturity dates. An underlying fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. For mortgage-backed securities, this risk is known as prepayment risk.

Because Vanguard Total Bond Market 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 security prices to decline.

The credit quality of the bonds held by the underlying funds is expected to be very high, and thus credit risk for the Target Retirement Funds 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 may suffer a substantial decline in credit quality and market value due to a corporate restructuring.



Each Fund is subject to income risk, which is the chance that the underlying funds' dividends (income) will decline because of falling interest rates. A fund's dividends decline when interest rates fall, because once rates fall, the fund must invest in lower-yielding bonds. Income risk is generally greatest for funds holding short-term bonds and least for funds holding long-term bonds.

The Target Retirement Income and Target Retirement 2005 Funds are also subject to income fluctuations through their investment 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.

#### PLAIN TALK ABOUT Bond Maturities

A bond is issued with a specific maturity date—the date when the bond's issuer, or seller, must pay back the bond's initial value (known as its "face value"). Bond maturities generally range from less than 1 year to more than 30 years. Typically, the longer a bond's maturity, the more price risk you, as a bond investor, face as interest rates rise—but also the higher yield you could receive. Longer-term bonds are more suitable for investors willing to take a greater risk of price fluctuations to get higher and more stable interest income; shorter-term bond investors should be willing to accept lower yields and greater income variability in return for less fluctuation in the value of their investment.

#### SHORT-TERM INVESTMENTS

Through one underlying fund (the Prime Money Market Fund), 5% of the assets of the Target Retirement Income Fund will be invested in money market instruments. While 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 four of the following underlying Vanguard funds.

The following paragraphs briefly describe the six underlying Vanguard funds in which the Funds invest.

- *Vanguard Total Stock Market Index Fund* seeks to track the performance of the Wilshire 5000 Total Market Index, which consists of all the U.S. common stocks regularly traded on the New York and American Stock Exchanges and the Nasdaq over-the-counter market. This Fund invests in a representative sample of stocks that make up the Index.
- *Vanguard European Stock Index Fund* seeks to track the performance of the Morgan Stanley Capital International (MSCI) Europe Index by investing in the common stocks included in the Index. The MSCI Europe Index is made up of approximately 545 common stocks of companies located in 16 European countries. The Index is most heavily weighted in the United Kingdom, France, Switzerland, and Germany.
- *Vanguard Pacific Stock Index Fund* seeks to track the performance of the Morgan Stanley Capital International (MSCI) Pacific Index by investing in the common stocks included in the Index. The MSCI Pacific Index is made up of approximately 465 common stocks of companies located in Japan, Australia, Hong Kong, Singapore, and New Zealand. (As of April 30, 2003, Japan made up 71% of the Index's market capitalization).
- *Vanguard Total Bond Market Index Fund* seeks to track the performance of the Lehman Brothers Aggregate Bond Index by investing in a representative sample of bonds included in the Index. This Index measures 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, all with maturities of more than one year. 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 from 7 to 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 Funds are generally managed without regard to tax ramifications.

 Each Fund is subject to asset allocation risk, which is the chance that a Fund's current asset allocation to underlying funds will cause the Fund to underperform other funds with a similar investment objective.

To the extent that they invest in actively-managed underlying funds, the Funds also are subject to the manager risk associated with those underlying funds.

 Each Fund may invest, to a limited extent, in derivatives. Derivatives may involve risks different from, and possibly greater than, those of traditional investments.

## PLAIN TALK ABOUT

## Derivatives

A derivative is a financial contract whose value is based on (or “derived” from) a traditional security (such as a stock or a bond), an asset (such as a commodity like gold), or a market index (such as the S&P 500 Index). Some forms of derivatives, such as exchange-traded futures and options on securities, commodities, or indexes, have been trading on regulated exchanges for decades. These types of derivatives are standardized contracts that can easily be bought and sold, and whose market values are determined and published daily. Nonstandardized derivatives (such as swap agreements and forward currency contracts), on the other hand, tend to be more specialized or complex, and may be harder to value. Derivatives can carry considerable risks, particularly if used for speculation or as leveraged investments.

## TEMPORARY INVESTMENT MEASURES

Each actively managed underlying fund may temporarily depart from its normal investment policies—for instance, by allocating substantial assets to cash investments—in response to extraordinary market, economic, political, or other conditions. In doing so, the underlying fund may succeed in avoiding losses but may otherwise fail to achieve its investment objective, which in turn may prevent a Target Retirement Fund from achieving its investment objective.

## PLAIN TALK ABOUT

## Costs of Investing

Costs are an important consideration in choosing a mutual fund. That’s because you, as a shareholder, pay 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.

## COSTS AND MARKET-TIMING

Some investors try to profit from a strategy called market-timing—switching money into mutual funds when they expect prices to rise and taking money out when they expect prices to fall. As money is shifted in and out, a fund incurs expenses for buying and selling securities. These costs are borne by *all* fund shareholders, including the long-term investors who do not generate the costs. This is why all Vanguard funds have adopted special policies to discourage short-term trading or to compensate the funds for the costs associated with it. Specifically:

- Each Vanguard fund reserves the right to reject any purchase request—including exchanges from other Vanguard funds—that it regards as disruptive to efficient portfolio management. A purchase request could be rejected because of the timing of the investment or because of a history of excessive trading by the investor.
- Each Vanguard fund (other than the money market funds) limits the number of times that an investor can exchange into and out of the fund.
- Certain Vanguard funds charge purchase and/or redemption fees on transactions.

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

The Vanguard funds do not permit market-timing. Do not invest with Vanguard if you are a market-timer.

#### TURNOVER RATE

Although the Funds normally seek to invest for the long term, each Fund may sell shares of the underlying funds regardless of how long they have been held. A turnover rate of 100%, for example, would mean that a Fund has 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 35 investment companies with more than 100 funds holding assets in excess of \$610 billion. All of the funds that are members of The Vanguard Group share in the expenses associated with business operations, such as personnel, office space, equipment, and advertising.

Vanguard also provides marketing services to the funds. Although shareholders do not pay sales commissions or 12b-1 distribution fees, each fund pays its allocated share of The Vanguard Group's marketing costs.

According to an agreement between the Target Retirement Funds and Vanguard, the Funds' expenses will be offset by a reimbursement from Vanguard for (a) the Funds' contributions to the costs of operating the underlying Vanguard funds in which the Target Retirement Funds invest, and (b) certain savings in administrative and marketing costs that Vanguard expects to derive from the Funds' operation.

The Funds' trustees believe that the reimbursements should be sufficient to offset most, if not all, of the expenses incurred by the Funds. As a result, each Fund is expected to operate at a very low or zero expense ratio.

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. Expense ratios for the underlying funds for their most recent semiannual fiscal periods were:

■ Total Stock Market Index Fund	0.20%
■ Total Bond Market Index Fund	0.22%
■ Inflation-Protected Securities Fund	0.20%
■ European Stock Index Fund	0.34%
■ Pacific Stock Index Fund	0.41%
■ Prime Money Market Fund	0.32%

#### 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 for-profit management companies that may be owned by one person, by a group of individuals, or by investors who own the management company's stock. By contrast, Vanguard provides its services on an "at-cost" basis, and the funds' expense ratios reflect only these costs.

## Investment Advisor

The Vanguard Group (Vanguard), P.O. Box 2600, Valley Forge, PA 19482, founded in 1975, serves as the advisor to the Funds through its Quantitative Equity Group. Vanguard also serves as investment advisor for each of the underlying funds. As of August 31, 2003, Vanguard served as advisor for about \$457 billion in assets.

### PLAIN TALK ABOUT

#### The Fund's Advisor

The manager primarily responsible for overseeing the Funds' investments is:

**George U. Sauter**, Managing Director and Chief Investment Officer of Vanguard. He has worked in investment management since 1985; has had primary responsibility for Vanguard's stock indexing and active quantitative investments and strategy since joining the company in 1987; and has had oversight responsibility for Vanguard's Fixed Income Group since 2003. Education: A.B., Dartmouth College; M.B.A., University of Chicago.

## Dividends, Capital Gains, and Taxes

### FUND DISTRIBUTIONS

Each Fund distributes to shareholders virtually all of its net income as well as any 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 in March, June, September, and December; income dividends for the other Target Retirement Funds generally are distributed in December. Capital gains distributions generally occur 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, taxable investors should be aware of the following basic tax points:

- Distributions are taxable to you for federal income tax purposes, 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 for federal income tax purposes as if received in December.
- Any dividend and short-term capital gains distributions that you receive are taxable to you as ordinary income for federal income tax purposes. If you are an individual and meet certain holding period requirements with respect to your Fund shares, you may be eligible for reduced federal 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 for federal income tax purposes, 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 federal income tax return.
- 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.

#### 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 generally are not sold outside the United States, except to certain qualifying investors. If you reside outside the United States, please consult our website at [www.vanguard.com](http://www.vanguard.com) and review “Non-U.S. Investors.” Foreign investors should be aware that U.S. withholding and estate taxes may apply to any investments in Vanguard funds.

**Invalid addresses.** If a dividend or capital gains distribution check mailed to your address of record is returned as undeliverable, Vanguard will automatically reinvest all future distributions until you provide us with a valid mailing address.

**Tax consequences.** 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 a fund’s tax consequences for you.

## Share Price

Each Fund’s share price, called its *net asset value*, or 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. NAV per share is computed by dividing the net assets 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.

Vanguard fund share prices can be found daily in the mutual fund listings of most major newspapers under various “Vanguard” headings.

## Investing with Vanguard

This section of the prospectus explains the basics of doing business with Vanguard. A special booklet, *Investing Made Easy*, provides information that will help individual investors make the most of their relationship with Vanguard. A separate booklet, *The Compass*, does the same for institutional investors. You can request either booklet by calling or writing Vanguard, using the *Contacting Vanguard* instructions at the end of this section.

Buying Shares  
 Redeeming Shares  
 Exchanging Shares  
 Other Rules You Should Know  
 Fund and Account Updates  
 Contacting Vanguard

## Buying Shares

### *Account Minimums*

**To open and maintain an account.** \$3,000 for regular accounts; \$1,000 for IRAs and most custodial accounts for minors.

**To add to an existing account.** \$50 by Automatic Investment Plan; \$100 by mail, exchange, or Periodic Purchase; \$1,000 by wire.

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

### *How to Buy Shares*

**Online.** You can open certain types of accounts or buy shares in an existing account through our website at [www.vanguard.com](http://www.vanguard.com).

**By check.** To open an account, mail your check and a completed account registration form to Vanguard. When adding to an existing account, send your check with an Invest-by-Mail form detached from your last account statement. Make your check payable to: *The Vanguard Group—“Fund number.”* For a list of the Fund numbers and addresses, see *Contacting Vanguard*.

**By exchange purchase.** You can purchase shares with the proceeds of a redemption from another Vanguard® fund. See *Exchanging Shares* and *Other Rules You Should Know*.

**By wire.** Call Vanguard to purchase shares by wire. See *Contacting Vanguard*.

**By Automatic Investment Plan or Periodic Purchase.** You can purchase shares by electronically transferring money from a previously designated bank account. To establish either option, you must complete a special form or the appropriate section of your account registration form.

## Your Purchase Price

**Online, by check (all funds other than money market funds), by exchange, or by wire.** You buy shares at a fund's NAV determined as of your **trade date**. For all Vanguard funds, purchases received at Vanguard before the close of regular trading on the New York Stock Exchange (generally 4 p.m., Eastern time) receive a trade date of the same day, and purchases received after that time receive a trade date of the first business day following the date of receipt.

**By check (for money market funds only).** For check purchases received at Vanguard before the close of regular trading on the New York Stock Exchange (generally 4 p.m., Eastern time), the trade date is the first business day following the date of receipt. For purchases received after that time, the trade date is the second business day following the date of receipt. 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 is always one day later than for other funds.

**By Periodic Purchase.** For all Vanguard funds, instructions received at Vanguard on a business day before 10 p.m., Eastern time, will result in a purchase that occurs on and receives a trade date of the next business day.

**By Automatic Investment Plan.** Your Vanguard account's trade date will be one business day before the date you designated for withdrawal from your bank account.

## Purchase Rules You Should Know

✓**Check purchases.** All purchase checks must be written in U.S. dollars and drawn on a U.S. bank. Vanguard does not accept cash, "starter checks," traveler's checks, or money orders. In addition, to protect the funds from check fraud, Vanguard will not accept checks made payable to third parties.

✓**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 to close your account or take such other steps as we deem reasonable.

✓**Large purchases.** Vanguard reserves the right to reject any purchase request (regardless of size) that may disrupt a fund's operation or performance. Please call us *before* attempting to invest a large dollar amount.

✓**No cancellations.** Place your transaction requests carefully. Vanguard will **not** cancel any transaction once it has been initiated and a confirmation number has been assigned (if applicable).

✓**Future purchases.** All Vanguard funds reserve the right to stop selling shares at any time or to reject specific purchase

requests, including purchases by exchange from another Vanguard fund, at any time, for any reason.

## Redeeming Shares

### **How to Redeem Shares**

Be sure to check *Other Rules You Should Know* before initiating your request.

**Online.** Request a redemption through our website at [www.vanguard.com](http://www.vanguard.com).

**By telephone.** Contact Vanguard by telephone to request a redemption. For telephone numbers, see *Contacting Vanguard*.

**By mail.** Send your written redemption instructions to Vanguard. For addresses, see *Contacting Vanguard*.

**By Automatic Withdrawal Plan or Periodic Redemption:** If you've established either of these options on your account, you can redeem shares by electronically transferring your redemption proceeds to a previously designated bank account. To establish these options, you must complete a special form or the appropriate section of your account registration form.

### **Your Redemption Price**

You redeem shares at a fund's next-determined NAV after Vanguard receives your redemption request, *including any special documentation required under the circumstances*. As long as your request is received before the close of regular trading on the New York Stock Exchange (generally 4 p.m., Eastern time), your shares are redeemed at that day's NAV. This is known as your **trade date**.

### **Types of Redemptions**

✓ **By check.** Unless instructed otherwise, Vanguard will mail you a check, normally within two business days of your trade date.

✓ **By exchange.** You may instruct Vanguard to apply the proceeds of your redemption to purchase shares of another Vanguard fund. See *Exchanging Shares* and *Other Rules You Should Know*.

✓ **By Automatic Withdrawal Plan or Periodic Redemption.** Proceeds of redeemed shares will be credited to your bank account two business days after your trade date. Minimum electronic redemption is \$100.

✓ **By wire.** When redeeming from a money market fund or a bond fund, you may instruct Vanguard to wire your redemption proceeds (\$1,000 minimum) to a previously designated bank account. Wire redemptions are not available for Vanguard's balanced or stock funds. The wire redemption option is *not automatic*; you must establish it by completing a special form or the appropriate section of your account registration form.

Vanguard charges a \$5 fee for wire redemptions under \$5,000.

*Money Market Funds:* For telephone requests received at Vanguard by 10:45 a.m. (2 p.m. for Vanguard® Prime Money Market Fund), Eastern time, the redemption proceeds will leave Vanguard by the close of business that same day. For other requests received before 4 p.m., Eastern time, the redemption proceeds will leave Vanguard by the close of business on the following business day.

*Bond Funds:* For requests received at Vanguard by 4 p.m., Eastern time, the redemption proceeds will leave Vanguard by the close of business on the following business day.

### ***Redemption Rules You Should Know***

✓ **Special 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 your redemption in kind—that is, in the form of securities—if we believe that a cash redemption would disrupt the fund's operation or performance. Under these circumstances, Vanguard also reserves the right to delay payment of your 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.

✓ **Recently purchased shares.** Although you can redeem shares at any time, proceeds will 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, Automatic Investment Plan, or Periodic Purchase.

✓ **Address change.** If you change your address online or by telephone, there will be a 15-day hold on online and telephone redemptions. Address change confirmations are sent to both the old and new address.

✓ **Payment to a different person or address.** At your request, we can make your redemption check payable to a different person or send it to a different address. However, this requires the written consent of all registered account owners, which must be provided under signature guarantee. You can obtain a signature guarantee from most commercial and savings banks, credit unions, trust companies, or member firms of a U.S. stock exchange. A notary public cannot provide a signature guarantee.

✓ **No cancellations.** Place your transaction requests carefully. Vanguard will **not** cancel any transaction once it has been initiated and a confirmation number has been assigned (if applicable).

✓**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 New York Stock Exchange is closed or during emergency circumstances, as determined by the U.S. Securities and Exchange Commission.

## Exchanging Shares

All open Vanguard funds accept exchange requests online (through your account registered with *Vanguard.com*), by telephone, or by mail. However, because excessive exchanges can disrupt management of a fund and increase the fund's costs for all shareholders, Vanguard places certain limits on the exchange privilege.

If you are exchanging into or out of the **U.S. Stock Index Funds, International Stock Index Funds, REIT Index Fund, Balanced Index Fund, Calvert Social Index Fund, International Growth Fund, International Value Fund, International Explorer™ Fund, or Growth and Income Fund**, these limits generally are as follows:

- No online or telephone exchanges between 2:30 p.m. and 4 p.m., Eastern time, on business days. *Any exchange request placed during these hours will not be accepted.* On days when the New York Stock Exchange is scheduled to close early, this end-of-day restriction will be adjusted to begin 1½ hours prior to the scheduled close. (For example, if the New York Stock Exchange is scheduled to close at 1 p.m., Eastern time, the cutoff for online and telephone exchanges will be 11:30 a.m., Eastern time.)
- No more than two exchanges OUT of a fund may be requested online or by telephone within any 12-month period.
- Funds may be added to or deleted from this list at any time without prior notice to shareholders.

For **all other Vanguard funds**, the following limits generally apply:

- No more than two substantive "round trips" through a non-money-market fund during any 12-month period. A "round trip" is a redemption OUT of a fund (by any means) followed by a purchase back INTO the same fund (by any means). "Substantive" means a dollar amount that Vanguard determines, in its sole discretion, could adversely affect management of the fund.
- Round trips must be at least 30 days apart.

Please note that Vanguard reserves the right to revise or terminate the exchange privilege, limit the amount of any exchange, or reject an exchange, at any time, for any reason. *Also, in the event of a conflict between the exchange-privilege limitations of two funds, the stricter policy will apply to the transaction.*

## Other Rules You Should Know

### **Vanguard.com®**

✓**Registration.** You can use your personal computer to review your account holdings, to sell or exchange shares of most Vanguard funds, and to perform most other transactions. To establish this service, you must register online.

✓**Some Vanguard funds do not permit online exchanges between 2:30 p.m. and 4 p.m., Eastern time.** See *Exchanging Shares*.

### **Telephone Transactions**

✓**Automatic.** In setting 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 conduct account transactions through Vanguard's automated telephone service, you must first obtain a Personal Identification Number (PIN). Call Tele-Account to obtain a PIN, and allow seven days before using this service.

✓**Proof of a caller's authority.** We reserve the right to refuse a telephone request if the caller is unable to provide the following information *exactly as registered on the account*:

- Caller authorization to act on the account (by legal documentation or other means).
- Account registration and address.
- Social Security or employer identification number.
- Fund and account number, if applicable.

✓**Subject to revision.** We reserve the right to revise or terminate Vanguard's telephone transaction service at any time, without notice.

✓**Some Vanguard funds do not permit telephone exchanges between 2:30 p.m. and 4 p.m., Eastern time.** See *Exchanging Shares*.

### **Written Instructions**

✓**"Good order" required.** We reserve the right to reject any written transaction instructions that are not in "good order." This means that your instructions must include:

- The fund name and account number.
- The amount of the transaction (in dollars, shares, or percent).
- Authorized signatures of registered owners.

- Signature guarantees, if required for the type of transaction.\*
- Any supporting legal documentation that may be required.

\*For instance, signature guarantees must be provided by all registered account owners when redemption proceeds are to be sent to a different person or address. Call Vanguard for specific signature-guarantee requirements.

### ***Accounts With More Than One Owner***

In the case of an account with more than one owner or authorized person, Vanguard will accept telephone or online instructions from any one owner or authorized person.

### ***Responsibility for Fraud***

Vanguard will not be responsible for any account losses due to fraud, so long as 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 that we send to you. Contact Vanguard immediately about any transactions you believe to be unauthorized.

### ***Uncashed Checks***

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

### ***Unusual Circumstances***

If you experience difficulty contacting Vanguard online, by telephone, or by Tele-Account, 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. If you invest with Vanguard through an intermediary, please read that firm's program materials carefully to learn of any rules or fees that may apply.

### ***Low-Balance Accounts***

All Vanguard funds reserve the right to liquidate any investment-only retirement-plan account or any nonretirement account whose balance falls below the minimum initial investment. If a fund has a redemption fee, that fee will apply to shares redeemed upon closure of the account.

Vanguard deducts a \$10 fee in June from each nonretirement account whose balance at that time is below \$2,500. The fee can be waived if your total Vanguard account assets are \$50,000 or more.

## Fund and Account Updates

### ***Confirmation Statements***

We will send you a confirmation statement to verify the trade date and amount of your transaction when you buy, sell, or exchange shares. However, we will not send such statements if they reflect only money market checkwriting or the reinvestment of dividends or capital gains distributions.

### ***Portfolio Summaries***

We will send you 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, sales, and exchanges for the current calendar year. Immediately review each summary that we send to you. Contact Vanguard immediately with any questions you may have about any transaction reflected on the summary.

### ***Tax Statements***

We will send annual tax statements to assist you in preparing your income tax returns. These statements, which are generally mailed in January, will report the previous year's dividend and capital gains distributions, proceeds from the sale of shares, and distributions from IRAs and other retirement plans.

### ***Average-Cost Review Statements***

For most taxable accounts, average-cost review statements will accompany annual 1099B tax statements. These statements show the average cost of shares that you redeemed during the current calendar year, using the average-cost single-category method, which is one of the methods established by the IRS.

### ***Annual and Semiannual Reports***

Financial reports about Vanguard Target Retirement Funds will be mailed twice a year, in April and October. These comprehensive reports include overviews of the financial markets and specific information concerning the Funds:

- Performance assessments with comparisons to industry benchmarks.
- Financial statements with detailed listings of the Funds' holdings.

To keep each Fund's costs as low as possible (so that you and other shareholders can keep more of the Fund's investment earnings), Vanguard attempts to eliminate duplicate mailings to the same address. When we find that two or more shareholders have the same last name and address, we send just one copy of the Fund report to that address, instead of mailing separate reports to each shareholder, unless you contact our Client Services Department in writing, by telephone, or by e-mail and instruct us otherwise.

Vanguard can deliver your Fund reports electronically, if you prefer. If you are a registered user of *Vanguard.com*, you can consent to the electronic delivery of Fund reports by logging on and changing your mailing preference under "My Profile." You can revoke your electronic consent at any time, and we will send paper copies of Fund reports within 30 days of receiving your notice.

## Contacting Vanguard

### **Online**

#### Vanguard.com

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

### **Vanguard Tele-Account®** **1-800-662-6273** **(ON-BOARD)**

- For automated fund and account information
- For redemptions by check, exchange (subject to certain limitations), or wire
- Toll-free, 24 hours a day, 7 days a week

### **Investor Information** **1-800-662-7447 (SHIP)** *(Text telephone at* *1-800-952-3335)*

- For fund and service information
- For literature requests
- Business hours only

### **Client Services** **1-800-662-2739 (CREW)** *(Text telephone at* *1-800-749-7273)*

- For account information
- For most account transactions
- Business hours only

### **Institutional Division** **1-888-809-8102**

- For information and services for large institutional investors
- Business hours only

### **Vanguard Addresses**

Please be sure to use the correct address, depending on your method of delivery. Use of an incorrect address could delay the processing of your transaction.

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 Mail:**

The Vanguard Group  
455 Devon Park Drive  
Wayne, PA 19087-1815

***Fund Numbers***

Please use the specific fund number when contacting us about:

Vanguard Target Retirement Income Fund—308

Vanguard Target Retirement 2005 Fund—302

Vanguard Target Retirement 2015 Fund—303

Vanguard Target Retirement 2025 Fund—304

Vanguard Target Retirement 2035 Fund—305

Vanguard Target Retirement 2045 Fund—306

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# Glossary of Investment Terms

## Active Management

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

## 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 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.

## 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.

## Dividend Distribution

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

## Expense Ratio

The percentage of a fund's average net assets used to pay its expenses during a fiscal year. The expense ratio includes management fees, administrative fees, and any 12b-1 distribution fees.

## Fund Diversification

Holding a variety of securities so that a fund's return is not badly hurt by the poor performance of a single security, industry, or country.

## Fund of Funds

A mutual fund that pursues its objective by investing in other mutual funds rather than in individual securities.

## Index

An unmanaged group of securities whose overall performance is used as a standard to measure investment performance.

## International Stock Index Fund

A mutual fund that invests in the stocks of companies located outside the United States.

## Investment Advisor

An organization that makes the day-to-day decisions regarding a fund's investments.

## 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.

## Net Asset Value (NAV)

The market value of a mutual fund's total assets, minus liabilities, divided by the number of shares outstanding. The value of a single share is also called its share value or share price.

## Passive Management

A low-cost investment strategy in which a mutual fund attempts to match—rather than outperform—a particular stock or bond market index; also known as indexing.

## 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.



Post Office Box 2600  
Valley Forge, PA 19482-2600

### **For More Information**

If you'd 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 will be available in the Funds' annual and semiannual reports to shareholders. In the Funds' 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.

*The current SAI is incorporated by reference into (and is thus legally a part of) this prospectus.*

To receive a free copy of the latest annual or semiannual reports (once available) or the SAI, or to request additional information about the Funds or other Vanguard funds, please contact us as follows:

**The Vanguard Group  
Investor Information  
Department  
P.O. Box 2600  
Valley Forge, PA 19482-2600**

**Telephone:  
1-800-662-7447 (SHIP)**

**Text Telephone:  
1-800-952-3335**

**World Wide Web:  
[www.vanguard.com](http://www.vanguard.com)**

If you are a current Fund shareholder and would like information about your account, account transactions, and/or account statements, please call:

**Client Services Department  
Telephone:  
1-800-662-2739 (CREW)**

**Text Telephone:  
1-800-749-7273**

### **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 1-202-942-8090. Reports and other information about the Funds are also available on the SEC's Internet site at <http://www.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](mailto:publicinfo@sec.gov), or by writing the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-0102.

Funds' Investment Company Act  
file number: 811-4098

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# Vanguard Nonretirement Account Registration Form



AREG

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT. Vanguard is required by federal law to obtain from each person who opens an account certain personal information—including name, street address, and date of birth among other information—that will be used to verify identity. If you do not provide us with this information, we will not be able to open the account. If we are unable to verify your identity, Vanguard reserves the right to close your account or take other steps we deem reasonable.

- Print clearly, preferably in capital letters and black ink.
- You can open accounts in more than one fund using this application, but they must all be the same account type (Section 1), and the account owner information you provide (Section 2) will apply to all of them.
- To open a brokerage account or any type of retirement account, you'll need to fill out a different form.

Most forms, as well as booklets that provide details on our services, can be downloaded from our website at [www.vanguard.com/?serviceforms](http://www.vanguard.com/?serviceforms). Or you can call us to order them—or get assistance in filling out this form—at **1-800-662-7447**. Return this form and any other required documents in the postage-paid envelope provided, or mail to **The Vanguard Group, P.O. Box 1110, Valley Forge, PA 19482-1110**.

Vanguard® funds are registered for sale to residents of the United States only. You must provide a U.S. address on this account registration form.

## 1. Type of Account (Check only one.)

**Individual or Joint.** Account owned by one or more people. Joint accounts are registered as “joint tenants with rights of survivorship” unless you indicate otherwise.

**Uniform Gifts/Transfers to Minors Act (UGMA/UTMA).** Account established by irrevocable gift or transfer to a minor, and having an adult custodian. The minimum initial investment for this type of account is generally lower than that for other types of nonretirement accounts; the investment amount is provided as either a gift or a transfer of assets.

State under whose laws the gift or transfer is being made.

**Custodial Account for a Minor.** Account established in a minor’s name but administered by an adult custodian under the terms of the custodial agreement. Standard minimum initial investment amounts apply; the investment amount is provided by the minor.

**Attorney-in-Fact.** Account having an agent authorized to act on behalf of the owner. **Note:** For Vanguard to allow the agent to act on the account on a continuing basis, you must send us a completed Vanguard Agent Authorization form.

**Trust.** Account established to invest assets held in a trust agreement. **Important:** You must send us a copy of the pages in your trust agreement that show the name of the trust, the trust date, and a listing of all trustees and their signatures. (Provide trustee names in Section 2.)

Name of Existing Trust Agreement

--

Date of Trust Agreement (month, day, year)

--

Employer Identification Number of Trust

OR

--

Grantor’s Social Security Number

Check if tax-exempt.

**Organization.** Account owned by an entity. **Note:** You must send us a completed Vanguard Corporate Resolution and Indemnification form, or there may be a delay in establishing account options.

Name of Organization

--

Employer Identification Number

Check if tax-exempt.



--

Birth Date (month, day, year)

-- --

Daytime Telephone Number

Evening Telephone Number

Name of Individual, Minor, Agent, Co-Trustee, or Organization Representative (first, middle initial, last)

Citizenship  U.S. Citizen  Resident Alien  Nonresident Alien  Country of Residence (for nonresident alien)

-- **OR** --  I do not have a U.S. tax number yet, but I have applied for one.

Social Security Number, **or** Individual Tax Identification Number (if a resident or nonresident alien)

Employer Identification Number, **or** Qualified Intermediary Employer Identification Number (if a non-U.S. entity)

Date of application:

Street Address or APO/FPO (a P.O. box or rural route number is **not** acceptable)

--

City

State

Zip

--

Birth Date (month, day, year)

-- --

Daytime Telephone Number

Evening Telephone Number

**3. Investment Instructions** (Refer to the Vanguard Fund and Account Option List provided for fund numbers, fund names, and minimum initial investment amounts. If you need more space, provide the information on a separate sheet.)

Fund Number	Fund Name	Investment Amount
<input type="text"/>	<input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
<b>TOTAL</b>		\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>

**4. Method of Payment** (You can combine the first two methods to open your accounts.)

- My check, **made payable to The Vanguard Group** in the amount of \$  ,  ,  .  , is enclosed. (If you're investing in more than one fund, you can write a single check for the total amount.)
- Exchange \$  ,  ,  .  from my identically registered (that is, type of account, owners' names, addresses, taxpayer identification numbers) Vanguard account. (To open an account by an exchange from a **nonidentically registered** account, you must complete a Vanguard Change of Ownership of Nonretirement Shares form instead of this form.)

-- --

Fund Number

Account Number

- Payment has already been made by wire. (If you wish to open an account by wire, call Vanguard for instructions.)

-- --

Date of Wire (month, day, year)

Temporary Account Number Assigned

**5. Distribution Options for Income Dividends and Capital Gains** (Check one option for dividends and one for capital gains. If nothing is checked, all distributions will be reinvested in additional fund shares. Your choices will apply to all fund accounts opened through this form.)

	Dividends	Capital Gains
<input type="checkbox"/> Reinvest my distributions in additional shares of the same fund.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Mail my distribution checks to the address of record.	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Transfer my distributions electronically to my bank account. (Provide the bank information requested in Section 8.)	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Deposit my distributions into one of my existing identically registered Vanguard fund accounts:	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text" value=""/> Fund Number	<input type="text" value=""/> Fund Name	<input type="text" value=""/> Account Number

**6. Money-Transfer Options** (Not all funds offer the following services; refer to the Vanguard Fund and Account Option List provided to see which are available for each fund. **Important:** If you choose any of these options, you must fill out Section 8 completely. If you need more space, provide the information on a separate sheet.)

**Automatic Investment Plan for Nonretirement Accounts** (Transfer money from your bank account to a Vanguard nonretirement account on a set schedule.)

- Your Vanguard account will be credited one business day before the withdrawal from your bank account.
- If you do not indicate a frequency, we will transfer assets monthly; if you do not specify a day of the month, we will schedule your bank withdrawals for the 15th.

<input type="text" value=""/> Fund Number	<input type="text" value=""/> Fund Name	\$ <input type="text" value=""/> Amount (\$50 minimum, \$100,000 maximum)
Frequency (Choose one.)	<input type="checkbox"/> Monthly <input type="checkbox"/> Every Other Month <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually	<input type="text" value=""/> Day of the Month You Want the Bank Withdrawals to Take Place <input type="text" value=""/> Month You Want the Service to Start

**Automatic Withdrawal Plan** (Transfer money from your Vanguard account to a bank account on a set schedule.)

- Your bank account will be credited two business days after the withdrawal from your Vanguard account.
- If you do not indicate a frequency, we will transfer assets monthly; if you do not specify a day of the month, we will schedule your Vanguard account withdrawals for the 15th.

<input type="text" value=""/> Fund Number	<input type="text" value=""/> Fund Name	\$ <input type="text" value=""/> Amount (\$50 minimum, \$100,000 maximum)
Frequency (Choose one.)	<input type="checkbox"/> Monthly <input type="checkbox"/> Every Other Month <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually	<input type="text" value=""/> Day of the Month You Want Your Bank Account Credited <input type="text" value=""/> Month You Want the Service to Start

**Periodic Purchases and Redemptions** (Set up this option now to be ready to transfer from a minimum of \$100 to a maximum of \$100,000 from your bank account to a Vanguard account—or from your Vanguard account to a bank account—at any time, simply by calling us or visiting our website.)

- The number of days the transfer takes depends on the timing of your request.

**Wire Redemption** (Set up this option now to be ready to quickly transfer a minimum of \$1,000 from your Vanguard account to a bank account by wire.)

- Your money can generally be at your bank within one business day of your request—possibly the same day, depending on the timing of your request.
- Your bank must be a member of the Federal Reserve System.
- Vanguard charges \$5 for wires less than \$5,000; your bank may also assess a fee.

**7. Checkwriting Option** (Not all funds offer checkwriting; refer to the Vanguard Fund and Account Option List provided to see which ones do. The service is free; minimum amount per check is \$250. **Important:** All registered account owners, except minors, must sign in Section 9 exactly as the checks will be signed. Checks drawn on any type of custodial account must be signed by the custodian.)

Fund Number

Fund Name

Number of signatures required on checks. (If a number is not indicated, the signature of **one** account owner will be required.)

**8. Bank Information** (Complete this section if you selected automatic transfer of your fund distributions to your bank account in Section 5 or any of the money-transfer options in Section 6. Your bank, savings and loan, or credit union must be a member of the Automated Clearing House (ACH) network. It is important that you tape a voided check or preprinted deposit slip in the space provided below; if you do not, there will be a delay in setting up the service.)

Bank Name

-  
Bank Telephone Number

Bank Account Number

Bank Routing Number (located in the bottom left corner of your checks)

**Account Type**  
(Check one.)  Checking  Savings

*J. A. Sample*  
123 Street  
Anywhere, USA 12345 101

DATE: \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$

\_\_\_\_\_ DOLLARS

MEMO \_\_\_\_\_ SIGNED *VOID*

⑆ 123456789⑆                      12⑆3456789⑆

Tape your voided check  
or preprinted deposit slip here.  
Please do not use staples to attach it.

SIGNATURES REQUIRED IN SECTION 9.

**9. Signature of All Account Owners—YOU MUST SIGN BELOW** (Read the points in this section carefully, and sign below exactly as listed in Section 2.)

- I have full authority and legal capacity to purchase fund shares.
- I have received a current prospectus of each fund I'm investing in and agree to be bound by its terms.
- If I am investing in a Vanguard State Tax-Exempt Fund, I certify that I am a legal resident of the state of \_\_\_\_\_, although I may occasionally use an out-of-state address.
- If I have chosen a money-transfer option, I authorize Vanguard, upon telephone or online request, to pay amounts representing redemptions made by me, or to secure payment of amounts invested by me, by initiating credit or debit entries to my account at the bank named in Section 8. I authorize the bank to accept any such credits or debits to my account without responsibility for their correctness. I acknowledge that the origination of ACH transactions to my account must comply with U.S. law. I further agree that Vanguard will not incur any loss, liability, cost, or expense for acting upon my telephone or online request. I understand that this authorization may be terminated by me at any time by written notification to Vanguard and to the bank. The termination request will be effective as soon as Vanguard has had a reasonable amount of time to act upon it.
- If I have chosen the checkwriting option, I authorize Vanguard's custodian bank to honor checks drawn by me on my Vanguard fund account and to effect a redemption of sufficient shares in the account to cover payment of such checks. I understand that (1) this privilege may be amended or terminated at any time by the fund or the bank, and neither shall incur any liability to me for such amendment or termination, or for honoring such checks, or for effecting redemptions to pay such checks, or for returning checks that have not been accepted; (2) checks drawn on a joint account will require the signature of one registered owner unless indicated otherwise in Section 7; (3) no check shall be issued or honored, or redemption effected, for any amounts represented by shares unless payment for such shares has been made in full and any checks given in such payment have been collected through normal banking channels; and (4) this privilege is subject to all the terms and conditions stated in the Vanguard fund's prospectus.
- I understand that if an account is registered in more than one name, Vanguard will accept written or telephone instructions from any one of the owners.
- **If I am a U.S. citizen, a U.S. resident alien, or a representative of a U.S. entity, I certify under penalty of perjury that:**
  - 1. The Social Security number or employer identification number I have given on this form is correct.**
  - 2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.**  
*Important: Cross out item "2" if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return.*
  - 3. I am a U.S. person.**
- **If I am a nonresident alien, I am required to complete the appropriate Form W-8 to certify my foreign status. I understand that I am not under penalty of perjury certifying the above information.**

**The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.**

**Please sign here.** (All those listed in Section 2—except minors—must sign below. Attach an additional sheet if necessary.)

➤

--  
Date (month, day, year)

➤

--  
Date (month, day, year)

**Thank you for your investment!**

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# Vanguard® Fund and Account Option List

- The minimum initial investment for an account in our Investor Shares is \$3,000 per fund, \$1,000 for UGMA/UTMA accounts, unless otherwise noted. If your investment is in a fund that offers Admiral™ Shares and is for \$250,000 or more, we will automatically open your account in that share class. See the prospectus for more information on expense differences between the share classes.
- The **Distribution Transfer, Automatic Investment Plan, Automatic Withdrawal Plan, and Periodic Purchases and Redemptions** options are available for all funds.
- Our **Balanced Funds** and **Stock Funds** do not offer the **Wire Redemption** and **Checkwriting** options.

Fund Number	Fund Name	Wire Redemption	Check-writing	Fund Number	Fund Name
<b>Money Market Funds</b>				<b>Stock Funds</b>	
0011	Admiral™ Treasury Money Market (\$50,000)	■	■	0040	500 Index
0062	CA Tax-Exempt Money Market	■	■	0213	Calvert Social Index
0033	Federal Money Market	■	■	0111	Capital Opportunity* (Closed to new accounts.)
0095	NJ Tax-Exempt Money Market	■	■	0328	Capital Value
0163	NY Tax-Exempt Money Market	■	■	5483	Consumer Discretionary Index* (Admiral Shares only.)
0096	OH Tax-Exempt Money Market	■	■	5484	Consumer Staples Index* (Admiral Shares only.)
0063	PA Tax-Exempt Money Market	■	■	0082	Convertible Securities (Closed to new accounts.)
0030	Prime Money Market	■	■	0227	Developed Markets Index*
0045	Tax-Exempt Money Market	■	■	0057	Dividend Growth
0050	Treasury Money Market	■	■	0533	Emerging Markets Stock Index*†
<b>Bond Funds</b>				0051	Energy* (\$25,000)
0100	CA Intermediate-Term Tax-Exempt	■	■	5480	Energy Index* (Admiral Shares only.)
0075	CA Long-Term Tax-Exempt	■	■	0065	Equity Income
0018	FL Long-Term Tax-Exempt	■	■	0079	European Stock Index*
0036	GNMA	■	■	0024	Explorer™
0029	High-Yield Corporate*	■	■	0098	Extended Market Index
0044	High-Yield Tax-Exempt	■	■	5486	Financials Index* (Admiral Shares only.)
0119	Inflation-Protected Securities	■	■	0129	Global Equity
0058	Insured Long-Term Tax-Exempt	■	■	0093	Growth and Income
0314	Intermediate-Term Bond Index	■	■	0544	Growth Equity (\$10,000)
0071	Intermediate-Term Investment-Grade	■	■	0009	Growth Index
0042	Intermediate-Term Tax-Exempt	■	■	0052	Health Care* (\$25,000)
0035	Intermediate-Term Treasury	■	■	5485	Health Care Index* (Admiral Shares only.)
0031	Limited-Term Tax-Exempt	■	■	5482	Industrials Index* (Admiral Shares only.)
0522	Long-Term Bond Index	■	■	5487	Information Technology Index* (Admiral Shares only.)
0028	Long-Term Investment-Grade	■	■	0126	International Explorer™** (Closed to new accounts.)
0043	Long-Term Tax-Exempt	■	■	0081	International Growth*
0083	Long-Term Treasury	■	■	0046	International Value*
0168	MA Tax-Exempt	■	■	0307	Large-Cap Index
0014	NJ Long-Term Tax-Exempt	■	■	5481	Materials Index* (Admiral Shares only.)
0076	NY Long-Term Tax-Exempt	■	■	0301	Mid-Cap Growth (\$10,000)
0097	OH Long-Term Tax-Exempt	■	■	0859	Mid-Cap Index
0077	PA Long-Term Tax-Exempt	■	■	0026	Morgan™ Growth
0132	Short-Term Bond Index	■	■	0072	Pacific Stock Index*
0039	Short-Term Investment-Grade	■	■	0053	Precious Metals and Mining* (\$10,000)
0049	Short-Term Federal	■	■	0059	PRIMECAP* (Closed to new accounts.)
0041	Short-Term Tax-Exempt	■	■	0123	REIT Index*
0032	Short-Term Treasury	■	■	0934	Selected Value* (\$25,000)
0084	Total Bond Market Index	■	■	0861	Small-Cap Growth Index
<b>Balanced Funds</b>				0048	Small-Cap Index
0078	Asset Allocation			0860	Small-Cap Value Index
0002	Balanced Index			0114	Strategic Equity
0724	LifeStrategy® Conservative Growth			0102	Tax-Managed Capital Appreciation* (\$10,000)
0122	LifeStrategy® Growth			0101	Tax-Managed Growth and Income* (\$10,000)
0723	LifeStrategy® Income			0127	Tax-Managed International* (\$10,000)
0914	LifeStrategy® Moderate Growth			0116	Tax-Managed Small-Cap* (\$10,000)
0056	STAR® (\$1,000)			5488	Telecommunication Services Index* (Admiral Shares only.)
0302	Target Retirement 2005			0113	Total International Stock Index*
0303	Target Retirement 2015			0085	Total Stock Market Index
0304	Target Retirement 2025			0023	U.S. Growth
0305	Target Retirement 2035			0124	U.S. Value
0306	Target Retirement 2045			5489	Utilities Index* (Admiral Shares only.)
0308	Target Retirement Income			0006	Value Index
0103	Tax-Managed Balanced* (\$10,000)			0022	Windsor™
0027	Wellesley® Income			0073	Windsor™ II
0021	Wellington™				

\*Fund charges a redemption fee based on holding period. Refer to the prospectus for details.

†Fund charges a purchase fee. Refer to the prospectus for details.

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