

Vanguard

Vanguard TDFs:

**Always evolving
to help improve
outcomes**



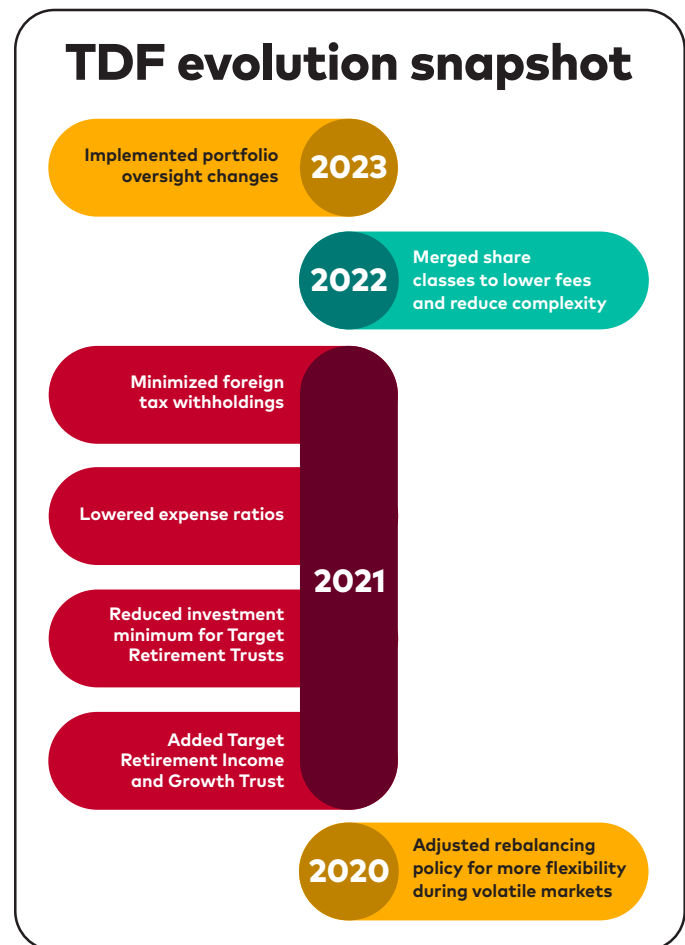
In 2022, investors experienced an incredibly volatile market environment. Fortunately, Vanguard designed its Target Retirement Funds and Trusts with the possibility of intense volatility in mind. Our low-cost funds, built with portfolio construction best practices, have helped to minimize the impact of recent market volatility, resulting in strong relative industry performance. Vanguard target-date funds (TDFs), on average, have ranked in the

top quartile among their peer groups for 10-year returns,¹ giving participants a better chance for lasting income through retirement.

Our clients have entrusted us with more than \$1 trillion in TDF assets, making us the industry leader in this market.² Our success is driven by a focus on continuously innovating and evolving our TDF franchise, always with the goal of improving investor outcomes.

Purposeful evolution through constant evaluation

Since the inception of our TDF franchise in 2003, we've worked to make meaningful changes that add value for our participants, such as lowering expense ratios by 70%.³ We've also enhanced asset allocations, improved fund and trust lineups, reduced implementation costs, increased access to our products, and even made changes aimed at helping participants solve the retirement income puzzle by launching the Target Retirement Income and Growth Trust and pairing it with participant guidance on the appropriate landing point and annual spending recommendations in retirement.



¹Vanguard and Morningstar, Inc., as of December 31, 2022. Our Target Retirement Funds with a 10-year track record or longer (2055 and earlier vintages in Investor Shares), on average, ranked in the 76th percentile among peer groups for 10-year returns through 2022. Vanguard Target Retirement Income Fund ranked 32nd out of 111 peers; 2020 Fund, 20th out of 81; 2025 Fund, 24th out of 143; 2030 Fund, 34th out of 131; 2035 Fund, 40th out of 138; 2040 Fund, 30th out of 131; 2045 Fund, 26th out of 137; 2050 Fund, 26th out of 130; and 2055 Fund, 28th out of 112. Only competing funds with a 10-year history were included. Results will vary in other time periods.

Note that the competitive performance data shown represent past performance, which is not a guarantee of future results, and that all investments are subject to risks. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For the most recent performance, visit our website at vanguard.com/performance.

²Vanguard and Morningstar, Inc., as of December 31, 2022.

³Vanguard, as of December 31, 2022. Franchise assets include Vanguard Target Retirement Funds and Trusts. Starting expense ratio of 0.23% in 2003 and 0.07% in 2022.

Overview of portfolio oversight changes

In the spirit of continuously innovating and evolving, we recently announced changes to the oversight of our multi-asset portfolios, which include our TDFs. These included the creation of a new role, head of Multi-Asset Portfolio Management, and formal recognition of the important role of our Investment Strategy Group (ISG). Michael Roach has been named the head of Multi-Asset Portfolio Management and will

oversee portfolio management functions for Vanguard's multi-asset products. And Roger Aliaga-Díaz will represent ISG as co-portfolio manager on several Vanguard multi-asset portfolios. The addition of Mr. Aliaga-Díaz reflects the central role ISG plays in researching, recommending, and maintaining the asset allocations for Vanguard's multi-asset portfolios.



With these changes, we will improve our already strong multi-asset franchises in three main ways:

- 1. Enhancing the multi-asset ecosystem:** This change represents the latest step in a continued build-out of Vanguard's multi-asset resources across key areas involved in the daily ongoing management and oversight of our multi-asset strategies.
- 2. Clarifying multi-asset portfolio management roles:** The creation of the head of Multi-Asset Portfolio Management continues the growth of resources in the multi-asset space, and creates clearer accountability in a critically important area.
- 3. Recognizing the importance of strategic asset allocation:** ISG plays a key role in driving long-term investor outcomes by determining strategic asset allocations for Vanguard's multi-asset portfolios, and now has a central role in the management of the portfolios.

These changes are part of our continuous efforts to evolve our industry-leading TDFs with the aim of delivering value for our investors. As part of our ongoing research, we receive valuable feedback from our consultant partners and

deeply appreciate your insights. By increasing our multi-asset resources and oversight structure, we believe these changes will help further innovate and enhance our TDF franchise.

Our consistent approach to multi-asset portfolios

While our TDF infrastructure is new, our goal has not changed. We remain focused on generating positive investor outcomes, and will continue to rely on Vanguard's most senior investment leaders, such as our CEO, Tim Buckley, and CIO, Greg Davis, to play a key role in the future of our TDF franchise.

We value our consultant partners and the key role you play in the DC landscape. If you have questions or would like to engage further, please reach out to your Consultant Relations contact.

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All investing is subject to risk, including the possible loss of the money you invest.

For more information about Vanguard funds, visit institutional.vanguard.com to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

Investments in Target Retirement Funds and Trusts are subject to the risks of their underlying funds. The year in the fund or trust name refers to the approximate year (the target date) when an investor in the fund or trust would retire and leave the workforce. The fund or trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Fund/Trust and the Income and Growth Trust have a fixed investment allocation and are designed for investors who are already retired. An investment in a Target Retirement fund or trust is not guaranteed at any time, including on or after the target date.

Vanguard Target Retirement Trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc.

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