

**Vanguard® Fiduciary Trust Company**  
**Target Retirement Income and Growth Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement Income and Growth Master Trust, at Value* (Cost \$133,607)	143,611
Receivables for Investment in the Master Trust Sold	340
Receivables for Units Issued	129
<b>Total Assets</b>	<b>144,080</b>
<b>Liabilities</b>	
Payables for Units Redeemed	469
Accrued Expenses	5
<b>Total Liabilities</b>	<b>474</b>
<b>Net Assets</b>	<b>143,606</b>
<hr/>	
<b>Units of Beneficial Ownership Outstanding</b>	<b>6,449,277</b>
<hr/>	
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$22.27</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	2,444
<b>Expenses</b>	
Trustees' Fee — Note B	46
<b>Net Investment Income</b>	<b>2,398</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>675</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>2,439</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>5,512</b>

# Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	2,398	1,857
Realized Net Gain (Loss)	675	298
Change in Unrealized Appreciation (Depreciation)	2,439	8,257
Net Increase (Decrease) in Net Assets Resulting from Operations	5,512	10,412
<b>Unit Transactions</b>		
Issued	73,836	95,296
Redeemed	(35,386)	(21,893)
Net Increase (Decrease) from Unit Transactions	38,450	73,403
Total Increase (Decrease)	43,962	83,815
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>99,644</b>	<b>15,829</b>
<b>End of Period</b>	<b>143,606</b>	<b>99,644</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

For a Unit Outstanding Throughout Each Period	Year Ended March 31,			January 21, 2022 <sup>1</sup> to March 31,
	2025	2024	2023	2022
<b>Net Asset Value, Beginning of Period</b>	<b>\$20.99</b>	<b>\$18.68</b>	<b>\$19.69</b>	<b>\$20.00</b>
<b>Investment Operations</b>				
Net Investment Income <sup>2</sup>	.51	.46	.32	.09
Net Realized and Unrealized Gain (Loss) on Investments	.77	1.85	(1.33)	(.40)
Total from Investment Operations	1.28	2.31	(1.01)	(.31)
<b>Net Asset Value, End of Period</b>	<b>\$22.27</b>	<b>\$20.99</b>	<b>\$18.68</b>	<b>\$19.69</b>
<b>Total Return</b>	<b>6.10%</b>	<b>12.37%</b>	<b>-5.13%</b>	<b>-1.55%</b>
<b>Ratios/Supplemental Data</b>				
Net Assets, End of Period (Millions)	\$144	\$100	\$16	\$13
Ratio of Direct Expenses to Average Net Assets—Note B	0.045%	0.045%	0.045%	0.045% <sup>3</sup>
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075% <sup>3</sup>
Ratio of Net Investment Income to Average Net Assets	2.34%	2.38%	1.75%	2.57% <sup>3</sup>

1 Inception.

2 Calculated based on average units outstanding.

3 Annualized.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement Income and Growth Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2021, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement Income and Growth Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 9% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.045% represents fees paid directly to the Trustee and 0.030% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	3,317	5,021
Redeemed	(1,616)	(1,120)
Net Increase (Decrease) in Units Outstanding	1,701	3,901

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

At March 31, 2025, one unitholder was the record or beneficial owner of 69% of the Trust's net assets. If this unitholder were to redeem its investment in the Trust, the redemption might result in an increase in the Trust's expense ratio or cause the Trust to incur higher transaction costs.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement Income and Growth Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the three years in the period ended March 31, 2025 and for the period January 21, 2022 (inception) through March 31, 2022 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the three years in the period ended March 31, 2025 and for the period January 21, 2022 (inception) through March 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement Income Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement Income Master Trust, at Value* (Cost \$3,858,332)	4,331,341
Receivables for Investment in the Master Trust Sold	12,319
Receivables for Units Issued	2,818
<b>Total Assets</b>	<b>4,346,478</b>
<b>Liabilities</b>	
Payables for Units Redeemed	15,137
Accrued Expenses	158
<b>Total Liabilities</b>	<b>15,295</b>
<b>Net Assets</b>	<b>4,331,183</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>94,963,544</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$45.61</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	126,854
<b>Expenses</b>	
Trustees' Fee — Note B	1,904
<b>Net Investment Income</b>	<b>124,950</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>83,132</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>44,580</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>252,662</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	124,950	120,047
Realized Net Gain (Loss)	83,132	73,788
Change in Unrealized Appreciation (Depreciation)	44,580	168,499
Net Increase (Decrease) in Net Assets Resulting from Operations	252,662	362,334
<b>Unit Transactions</b>		
Issued	963,400	749,960
Redeemed	(1,461,496)	(952,676)
Net Increase (Decrease) from Unit Transactions	(498,096)	(202,716)
Total Increase (Decrease)	(245,434)	159,618
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>4,576,617</b>	<b>4,416,999</b>
<b>End of Period</b>	<b>4,331,183</b>	<b>4,576,617</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$43.11</b>	<b>\$39.76</b>	<b>\$41.62</b>	<b>\$41.53</b>	<b>\$35.48</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.25	1.09	.92	.80	.61
Net Realized and Unrealized Gain (Loss) on Investments	1.25	2.26	(2.78)	(.71)	5.44
Total from Investment Operations	2.50	3.35	(1.86)	.09	6.05
<b>Net Asset Value, End of Period</b>	<b>\$45.61</b>	<b>\$43.11</b>	<b>\$39.76</b>	<b>\$41.62</b>	<b>\$41.53</b>
<b>Total Return</b>	<b>5.80%</b>	<b>8.43%</b>	<b>-4.47%</b>	<b>0.22%</b>	<b>17.05%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$4,331	\$4,577	\$4,417	\$2,334	\$1,953
Ratio of Direct Expenses to Average Net Assets—Note B	0.043%	0.043%	0.043%	0.043%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	2.80%	2.68%	2.37%	1.87%	1.53%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement Income Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement Income Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 20% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.043% represents fees paid directly to the Trustee and 0.032% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	21,485	18,421
Redeemed	(32,694)	(23,351)
Net Increase (Decrease) in Units Outstanding	(11,209)	(4,930)

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement Income Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2020 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2020 Master Trust, at Value* (Cost \$5,136,481)	5,920,983
Receivables for Investment in the Master Trust Sold	5,003
Receivables for Units Issued	6,030
<b>Total Assets</b>	<b>5,932,016</b>
<b>Liabilities</b>	
Payables for Units Redeemed	11,033
Accrued Expenses	215
<b>Total Liabilities</b>	<b>11,248</b>
<b>Net Assets</b>	<b>5,920,768</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>124,843,663</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$47.43</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	168,086
<b>Expenses</b>	
Trustees' Fee — Note B	2,796
<b>Net Investment Income</b>	<b>165,290</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>249,717</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>(36,050)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>378,957</b>

# Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	165,290	162,340
Realized Net Gain (Loss)	249,717	265,909
Change in Unrealized Appreciation (Depreciation)	(36,050)	234,729
Net Increase (Decrease) in Net Assets Resulting from Operations	378,957	662,978
<b>Unit Transactions</b>		
Issued	1,086,497	1,013,887
Redeemed	(2,294,595)	(1,727,336)
Net Increase (Decrease) from Unit Transactions	(1,208,098)	(713,449)
Total Increase (Decrease)	(829,141)	(50,471)
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>6,749,909</b>	<b>6,800,380</b>
<b>End of Period</b>	<b>5,920,768</b>	<b>6,749,909</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$44.75</b>	<b>\$40.52</b>	<b>\$42.75</b>	<b>\$42.14</b>	<b>\$33.14</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.20	1.01	.77	.64	.60
Net Realized and Unrealized Gain (Loss) on Investments	1.48	3.22	(3.00)	(.03)	8.40
Total from Investment Operations	2.68	4.23	(2.23)	.61	9.00
<b>Net Asset Value, End of Period</b>	<b>\$47.43</b>	<b>\$44.75</b>	<b>\$40.52</b>	<b>\$42.75</b>	<b>\$42.14</b>
<b>Total Return</b>	<b>5.99%</b>	<b>10.44%</b>	<b>-5.22%</b>	<b>1.45%</b>	<b>27.16%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$5,921	\$6,750	\$6,800	\$7,125	\$6,527
Ratio of Direct Expenses to Average Net Assets—Note B	0.044%	0.044%	0.044%	0.045%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	2.58%	2.42%	1.95%	1.47%	1.53%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2020 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2020 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 20% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.044% represents fees paid directly to the Trustee and 0.031% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	23,410	24,197
Redeemed	(49,409)	(41,174)
Net Increase (Decrease) in Units Outstanding	(25,999)	(16,977)

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2020 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2025 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2025 Master Trust, at Value* (Cost \$11,263,159)	13,809,509
Receivables for Investment in the Master Trust Sold	25,259
Receivables for Units Issued	14,354
<b>Total Assets</b>	<b>13,849,122</b>
<b>Liabilities</b>	
Payables for Units Redeemed	39,612
Accrued Expenses	527
<b>Total Liabilities</b>	<b>40,139</b>
<b>Net Assets</b>	<b>13,808,983</b>
<hr/>	
<b>Units of Beneficial Ownership Outstanding</b>	<b>277,497,983</b>
<hr/>	
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$49.76</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	339,017
<b>Expenses</b>	
Trustees' Fee — Note B	6,790
<b>Net Investment Income</b>	<b>332,227</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>597,150</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>(19,448)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>909,929</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	332,227	311,606
Realized Net Gain (Loss)	597,150	535,899
Change in Unrealized Appreciation (Depreciation)	(19,448)	960,312
Net Increase (Decrease) in Net Assets Resulting from Operations	909,929	1,807,817
<b>Unit Transactions</b>		
Issued	2,850,454	2,734,236
Redeemed	(5,531,629)	(2,913,509)
Net Increase (Decrease) from Unit Transactions	(2,681,175)	(179,273)
Total Increase (Decrease)	(1,771,246)	1,628,544
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>15,580,229</b>	<b>13,951,685</b>
<b>End of Period</b>	<b>13,808,983</b>	<b>15,580,229</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$46.89</b>	<b>\$41.52</b>	<b>\$44.07</b>	<b>\$43.20</b>	<b>\$32.58</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.08	.92	.64	.51	.61
Net Realized and Unrealized Gain (Loss) on Investments	1.79	4.45	(3.19)	.36	10.01
Total from Investment Operations	2.87	5.37	(2.55)	.87	10.62
<b>Net Asset Value, End of Period</b>	<b>\$49.76</b>	<b>\$46.89</b>	<b>\$41.52</b>	<b>\$44.07</b>	<b>\$43.20</b>
<b>Total Return</b>	<b>6.12%</b>	<b>12.93%</b>	<b>-5.79%</b>	<b>2.01%</b>	<b>32.60%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$13,809	\$15,580	\$13,952	\$13,612	\$11,340
Ratio of Direct Expenses to Average Net Assets—Note B	0.045%	0.046%	0.046%	0.046%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	2.22%	2.13%	1.58%	1.12%	1.55%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2025 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2025 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 19% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.045% represents fees paid directly to the Trustee and 0.030% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	58,352	63,286
Redeemed	(113,104)	(67,098)
Net Increase (Decrease) in Units Outstanding	(54,752)	(3,812)

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2025 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2030 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2030 Master Trust, at Value* (Cost \$16,591,811)	20,944,018
Receivables for Investment in the Master Trust Sold	33,730
Receivables for Units Issued	33,050
<b>Total Assets</b>	<b>21,010,798</b>
<b>Liabilities</b>	
Payables for Units Redeemed	66,780
Accrued Expenses	843
<b>Total Liabilities</b>	<b>67,623</b>
<b>Net Assets</b>	<b>20,943,175</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>408,953,096</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$51.21</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	439,137
<b>Expenses</b>	
Trustees' Fee — Note B	10,035
<b>Net Investment Income</b>	<b>429,102</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>417,874</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>422,119</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,269,095</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	429,102	363,471
Realized Net Gain (Loss)	417,874	389,605
Change in Unrealized Appreciation (Depreciation)	422,119	1,911,645
Net Increase (Decrease) in Net Assets Resulting from Operations	1,269,095	2,664,721
<b>Unit Transactions</b>		
Issued	4,586,762	4,231,351
Redeemed	(5,947,269)	(2,817,596)
Net Increase (Decrease) from Unit Transactions	(1,360,507)	1,413,755
Total Increase (Decrease)	(91,412)	4,078,476
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>21,034,587</b>	<b>16,956,111</b>
<b>End of Period</b>	<b>20,943,175</b>	<b>21,034,587</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$48.27</b>	<b>\$42.04</b>	<b>\$44.79</b>	<b>\$43.63</b>	<b>\$31.81</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.01	.86	.56	.45	.60
Net Realized and Unrealized Gain (Loss) on Investments	1.93	5.37	(3.31)	.71	11.22
Total from Investment Operations	2.94	6.23	(2.75)	1.16	11.82
<b>Net Asset Value, End of Period</b>	<b>\$51.21</b>	<b>\$48.27</b>	<b>\$42.04</b>	<b>\$44.79</b>	<b>\$43.63</b>
<b>Total Return</b>	<b>6.09%</b>	<b>14.82%</b>	<b>-6.14%</b>	<b>2.66%</b>	<b>37.16%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$20,943	\$21,035	\$16,956	\$15,509	\$12,044
Ratio of Direct Expenses to Average Net Assets—Note B	0.047%	0.047%	0.047%	0.048%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	2.01%	1.94%	1.38%	0.98%	1.53%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2030 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2030 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 20% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.047% represents fees paid directly to the Trustee and 0.028% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	90,846	95,872
Redeemed	(117,646)	(63,404)
Net Increase (Decrease) in Units Outstanding	(26,800)	32,468

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2030 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2035 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2035 Master Trust, at Value* (Cost \$15,733,293)	21,087,844
Receivables for Investment in the Master Trust Sold	38,499
Receivables for Units Issued	34,647
<b>Total Assets</b>	<b>21,160,990</b>
<b>Liabilities</b>	
Payables for Units Redeemed	73,145
Accrued Expenses	866
<b>Total Liabilities</b>	<b>74,011</b>
<b>Net Assets</b>	<b>21,086,979</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>390,414,905</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$54.01</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	389,786
<b>Expenses</b>	
Trustees' Fee — Note B	10,237
<b>Net Investment Income</b>	<b>379,549</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>319,528</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>604,371</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,303,448</b>

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	379,549	315,824
Realized Net Gain (Loss)	319,528	186,019
Change in Unrealized Appreciation (Depreciation)	604,371	2,340,128
Net Increase (Decrease) in Net Assets Resulting from Operations	1,303,448	2,841,971
<b>Unit Transactions</b>		
Issued	4,785,258	4,273,585
Redeemed	(5,787,548)	(2,289,524)
Net Increase (Decrease) from Unit Transactions	(1,002,290)	1,984,061
Total Increase (Decrease)	301,158	4,826,032
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>20,785,821</b>	<b>15,959,789</b>
<b>End of Period</b>	<b>21,086,979</b>	<b>20,785,821</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$50.83</b>	<b>\$43.68</b>	<b>\$46.61</b>	<b>\$45.05</b>	<b>\$31.75</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.94	.81	.55	.44	.61
Net Realized and Unrealized Gain (Loss) on Investments	2.24	6.34	(3.48)	1.12	12.69
Total from Investment Operations	3.18	7.15	(2.93)	1.56	13.30
<b>Net Asset Value, End of Period</b>	<b>\$54.01</b>	<b>\$50.83</b>	<b>\$43.68</b>	<b>\$46.61</b>	<b>\$45.05</b>
<b>Total Return</b>	<b>6.26%</b>	<b>16.37%</b>	<b>-6.29%</b>	<b>3.46%</b>	<b>41.89%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$21,087	\$20,786	\$15,960	\$14,480	\$10,761
Ratio of Direct Expenses to Average Net Assets—Note B	0.048%	0.048%	0.048%	0.048%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.77%	1.75%	1.29%	0.93%	1.53%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2035 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2035 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 18% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.048% represents fees paid directly to the Trustee and 0.027% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	89,854	92,732
Redeemed	(108,367)	(49,219)
Net Increase (Decrease) in Units Outstanding	(18,513)	43,513

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2035 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2040 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2040 Master Trust, at Value* (Cost \$14,696,165)	20,185,515
Receivables for Investment in the Master Trust Sold	25,989
Receivables for Units Issued	38,205
<b>Total Assets</b>	<b>20,249,709</b>
<b>Liabilities</b>	
Payables for Units Redeemed	64,195
Accrued Expenses	844
<b>Total Liabilities</b>	<b>65,039</b>
<b>Net Assets</b>	<b>20,184,670</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>349,398,827</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$57.77</b>
• See Note A in Notes to Financial Statements.	

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	324,718
<b>Expenses</b>	
Trustees' Fee — Note B	9,922
<b>Net Investment Income</b>	<b>314,796</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>296,038</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>664,181</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,275,015</b>

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	314,796	262,471
Realized Net Gain (Loss)	296,038	110,751
Change in Unrealized Appreciation (Depreciation)	664,181	2,519,302
Net Increase (Decrease) in Net Assets Resulting from Operations	1,275,015	2,892,524
<b>Unit Transactions</b>		
Issued	4,416,157	4,161,099
Redeemed	(5,089,481)	(2,252,945)
Net Increase (Decrease) from Unit Transactions	(673,324)	1,908,154
Total Increase (Decrease)	601,691	4,800,678
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>19,582,979</b>	<b>14,782,301</b>
<b>End of Period</b>	<b>20,184,670</b>	<b>19,582,979</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$54.28</b>	<b>\$46.02</b>	<b>\$49.22</b>	<b>\$47.22</b>	<b>\$32.19</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.88	.76	.54	.44	.63
Net Realized and Unrealized Gain (Loss) on Investments	2.61	7.50	(3.74)	1.56	14.40
Total from Investment Operations	3.49	8.26	(3.20)	2.00	15.03
<b>Net Asset Value, End of Period</b>	<b>\$57.77</b>	<b>\$54.28</b>	<b>\$46.02</b>	<b>\$49.22</b>	<b>\$47.22</b>
<b>Total Return</b>	<b>6.43%</b>	<b>17.95%</b>	<b>-6.50%</b>	<b>4.24%</b>	<b>46.69%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$20,185	\$19,583	\$14,782	\$13,045	\$9,482
Ratio of Direct Expenses to Average Net Assets—Note B	0.049%	0.049%	0.049%	0.049%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.54%	1.56%	1.21%	0.89%	1.52%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2040 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2040 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 19% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.049% represents fees paid directly to the Trustee and 0.026% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	77,477	85,206
Redeemed	(88,882)	(45,602)
Net Increase (Decrease) in Units Outstanding	(11,405)	39,604

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2040 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2045 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2045 Master Trust, at Value* (Cost \$13,017,059)	18,800,005
Receivables for Investment in the Master Trust Sold	16,830
Receivables for Units Issued	55,195
<b>Total Assets</b>	<b>18,872,030</b>
<b>Liabilities</b>	
Payables for Units Redeemed	72,025
Accrued Expenses	783
<b>Total Liabilities</b>	<b>72,808</b>
<b>Net Assets</b>	<b>18,799,222</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>312,344,786</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$60.19</b>
• See Note A in Notes to Financial Statements.	

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	257,258
<b>Expenses</b>	
Trustees' Fee — Note B	9,382
<b>Net Investment Income</b>	<b>247,876</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>160,887</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>805,982</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,214,745</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	247,876	207,183
Realized Net Gain (Loss)	160,887	71,699
Change in Unrealized Appreciation (Depreciation)	805,982	2,570,299
Net Increase (Decrease) in Net Assets Resulting from Operations	1,214,745	2,849,181
<b>Unit Transactions</b>		
Issued	4,559,773	3,970,161
Redeemed	(5,046,277)	(2,046,044)
Net Increase (Decrease) from Unit Transactions	(486,504)	1,924,117
Total Increase (Decrease)	728,241	4,773,298
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>18,070,981</b>	<b>13,297,683</b>
<b>End of Period</b>	<b>18,799,222</b>	<b>18,070,981</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$56.47</b>	<b>\$47.28</b>	<b>\$50.66</b>	<b>\$48.23</b>	<b>\$31.83</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.78	.68	.51	.43	.63
Net Realized and Unrealized Gain (Loss) on Investments	2.94	8.51	(3.89)	2.00	15.77
Total from Investment Operations	3.72	9.19	(3.38)	2.43	16.40
<b>Net Asset Value, End of Period</b>	<b>\$60.19</b>	<b>\$56.47</b>	<b>\$47.28</b>	<b>\$50.66</b>	<b>\$48.23</b>
<b>Total Return</b>	<b>6.59%</b>	<b>19.44%</b>	<b>-6.67%</b>	<b>5.04%</b>	<b>51.52%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$18,799	\$18,071	\$13,298	\$11,797	\$8,444
Ratio of Direct Expenses to Average Net Assets—Note B	0.049%	0.050%	0.050%	0.050%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.30%	1.35%	1.13%	0.83%	1.52%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2045 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2045 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 17% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.049% represents fees paid directly to the Trustee and 0.026% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	76,809	78,763
Redeemed	(84,456)	(40,011)
Net Increase (Decrease) in Units Outstanding	(7,647)	38,752

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2045 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2050 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2050 Master Trust, at Value* (Cost \$12,482,904)	17,618,648
Receivables for Units Issued	83,763
<b>Total Assets</b>	<b>17,702,411</b>
<b>Liabilities</b>	
Payables for Investment in the Master Trust Purchased	25,130
Payables for Units Redeemed	58,633
Accrued Expenses	762
<b>Total Liabilities</b>	<b>84,525</b>
<b>Net Assets</b>	<b>17,617,886</b>
<b>Units of Beneficial Ownership Outstanding</b>	<b>287,479,988</b>
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$61.28</b>

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	204,349
<b>Expenses</b>	
Trustees' Fee — Note B	8,894
<b>Net Investment Income</b>	<b>195,455</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>74,872</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>883,238</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,153,565</b>

# Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	195,455	168,691
Realized Net Gain (Loss)	74,872	24,516
Change in Unrealized Appreciation (Depreciation)	883,238	2,529,617
Net Increase (Decrease) in Net Assets Resulting from Operations	1,153,565	2,722,824
<b>Unit Transactions</b>		
Issued	4,581,061	3,926,698
Redeemed	(4,672,578)	(1,973,442)
Net Increase (Decrease) from Unit Transactions	(91,517)	1,953,256
Total Increase (Decrease)	1,062,048	4,676,080
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>16,555,838</b>	<b>11,879,758</b>
<b>End of Period</b>	<b>17,617,886</b>	<b>16,555,838</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$57.43</b>	<b>\$47.66</b>	<b>\$51.08</b>	<b>\$48.56</b>	<b>\$31.98</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.67	.62	.50	.43	.63
Net Realized and Unrealized Gain (Loss) on Investments	3.18	9.15	(3.92)	2.09	15.95
Total from Investment Operations	3.85	9.77	(3.42)	2.52	16.58
<b>Net Asset Value, End of Period</b>	<b>\$61.28</b>	<b>\$57.43</b>	<b>\$47.66</b>	<b>\$51.08</b>	<b>\$48.56</b>
<b>Total Return</b>	<b>6.70%</b>	<b>20.50%</b>	<b>-6.70%</b>	<b>5.19%</b>	<b>51.84%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$17,618	\$16,556	\$11,880	\$10,096	\$6,777
Ratio of Direct Expenses to Average Net Assets—Note B	0.050%	0.050%	0.050%	0.050%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.10%	1.21%	1.09%	0.83%	1.51%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2050 Trust II (the "Trust") was established by a Declaration of Trust dated June 1, 2007, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2050 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 17% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.050% represents fees paid directly to the Trustee and 0.025% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	75,758	77,117
Redeemed	(76,546)	(38,104)
Net Increase (Decrease) in Units Outstanding	(788)	39,013

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2050 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2055 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2055 Master Trust, at Value* (Cost \$9,340,895)	12,524,263
Receivables for Units Issued	80,489
<b>Total Assets</b>	<b>12,604,752</b>
<b>Liabilities</b>	
Payables for Investment in the Master Trust Purchased	45,287
Payables for Units Redeemed	35,202
Accrued Expenses	544
<b>Total Liabilities</b>	<b>81,033</b>
<b>Net Assets</b>	<b>12,523,719</b>
<hr/>	
<b>Units of Beneficial Ownership Outstanding</b>	<b>152,591,091</b>
<hr/>	
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$82.07</b>
<hr/>	
• See Note A in Notes to Financial Statements.	

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	143,561
<b>Expenses</b>	
Trustees' Fee — Note B	6,254
<b>Net Investment Income</b>	<b>137,307</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>28,306</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>642,338</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>807,951</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	137,307	111,549
Realized Net Gain (Loss)	28,306	10,429
Change in Unrealized Appreciation (Depreciation)	642,338	1,697,692
Net Increase (Decrease) in Net Assets Resulting from Operations	807,951	1,819,670
<b>Unit Transactions</b>		
Issued	3,971,976	3,146,623
Redeemed	(3,522,261)	(1,391,494)
Net Increase (Decrease) from Unit Transactions	449,715	1,755,129
Total Increase (Decrease)	1,257,666	3,574,799
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>11,266,053</b>	<b>7,691,254</b>
<b>End of Period</b>	<b>12,523,719</b>	<b>11,266,053</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$76.93</b>	<b>\$63.85</b>	<b>\$68.42</b>	<b>\$65.03</b>	<b>\$42.84</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.89	.83	.67	.57	.84
Net Realized and Unrealized Gain (Loss) on Investments	4.25	12.25	(5.24)	2.82	21.35
Total from Investment Operations	5.14	13.08	(4.57)	3.39	22.19
<b>Net Asset Value, End of Period</b>	<b>\$82.07</b>	<b>\$76.93</b>	<b>\$63.85</b>	<b>\$68.42</b>	<b>\$65.03</b>
<b>Total Return</b>	<b>6.68%</b>	<b>20.49%</b>	<b>-6.68%</b>	<b>5.21%</b>	<b>51.80%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$12,524	\$11,266	\$7,691	\$6,112	\$4,113
Ratio of Direct Expenses to Average Net Assets—Note B	0.050%	0.050%	0.050%	0.050%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.10%	1.21%	1.10%	0.82%	1.50%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2055 Trust II (the "Trust") was established by a Declaration of Trust dated July 1, 2010, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2055 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 17% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.050% represents fees paid directly to the Trustee and 0.025% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	49,166	46,051
Redeemed	(43,027)	(20,065)
Net Increase (Decrease) in Units Outstanding	6,139	25,986

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2055 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2060 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2060 Master Trust, at Value* (Cost \$5,684,994)	7,195,072
Receivables for Units Issued	46,851
<b>Total Assets</b>	<b>7,241,923</b>
<b>Liabilities</b>	
Payables for Investment in the Master Trust Purchased	26,749
Payables for Units Redeemed	20,102
Accrued Expenses	312
<b>Total Liabilities</b>	<b>47,163</b>
<b>Net Assets</b>	<b>7,194,760</b>

<b>Units of Beneficial Ownership Outstanding</b>	<b>111,054,991</b>
--	--------------------

<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$64.79</b>
---	----------------

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	80,844
<b>Expenses</b>	
Trustees' Fee — Note B	3,507
<b>Net Investment Income</b>	<b>77,337</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>10,456</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>359,381</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>447,174</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	77,337	59,811
Realized Net Gain (Loss)	10,456	4,750
Change in Unrealized Appreciation (Depreciation)	359,381	913,189
Net Increase (Decrease) in Net Assets Resulting from Operations	447,174	977,750
<b>Unit Transactions</b>		
Issued	2,569,221	2,117,265
Redeemed	(2,010,459)	(821,386)
Net Increase (Decrease) from Unit Transactions	558,762	1,295,879
Total Increase (Decrease)	1,005,936	2,273,629
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>6,188,824</b>	<b>3,915,195</b>
<b>End of Period</b>	<b>7,194,760</b>	<b>6,188,824</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$60.71</b>	<b>\$50.40</b>	<b>\$53.99</b>	<b>\$51.31</b>	<b>\$33.79</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.71	.66	.54	.46	.67
Net Realized and Unrealized Gain (Loss) on Investments	3.37	9.65	(4.13)	2.22	16.85
Total from Investment Operations	4.08	10.31	(3.59)	2.68	17.52
<b>Net Asset Value, End of Period</b>	<b>\$64.79</b>	<b>\$60.71</b>	<b>\$50.40</b>	<b>\$53.99</b>	<b>\$51.31</b>
<b>Total Return</b>	<b>6.72%</b>	<b>20.46%</b>	<b>-6.65%</b>	<b>5.22%</b>	<b>51.85%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$7,195	\$6,189	\$3,915	\$2,764	\$1,579
Ratio of Direct Expenses to Average Net Assets—Note B	0.050%	0.050%	0.050%	0.050%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.10%	1.22%	1.11%	0.84%	1.51%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2060 Trust II (the "Trust") was established by a Declaration of Trust dated October 1, 2011, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2060 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 17% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.050% represents fees paid directly to the Trustee and 0.025% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	40,200	39,250
Redeemed	(31,082)	(15,002)
Net Increase (Decrease) in Units Outstanding	9,118	24,248

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2060 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2065 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2065 Master Trust, at Value* (Cost \$2,016,265)	2,401,081
Receivables for Investment in the Master Trust Sold	1,523
Receivables for Units Issued	13,068
<b>Total Assets</b>	<b>2,415,672</b>
<b>Liabilities</b>	
Payables for Units Redeemed	14,591
Accrued Expenses	103
<b>Total Liabilities</b>	<b>14,694</b>
<b>Net Assets</b>	<b>2,400,978</b>
<hr/>	
<b>Units of Beneficial Ownership Outstanding</b>	<b>60,187,529</b>
<hr/>	
<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$39.89</b>
<hr/>	
• See Note A in Notes to Financial Statements.	

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	25,585
<b>Expenses</b>	
Trustees' Fee — Note B	1,099
<b>Net Investment Income</b>	<b>24,486</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>2,864</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>106,800</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>134,150</b>

# Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	24,486	16,321
Realized Net Gain (Loss)	2,864	1,505
Change in Unrealized Appreciation (Depreciation)	106,800	252,082
Net Increase (Decrease) in Net Assets Resulting from Operations	134,150	269,908
<b>Unit Transactions</b>		
Issued	1,192,703	847,000
Redeemed	(739,737)	(255,066)
Net Increase (Decrease) from Unit Transactions	452,966	591,934
Total Increase (Decrease)	587,116	861,842
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>1,813,862</b>	<b>952,020</b>
<b>End of Period</b>	<b>2,400,978</b>	<b>1,813,862</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,				
For a Unit Outstanding Throughout Each Period	2025	2024	2023	2022	2021
<b>Net Asset Value, Beginning of Period</b>	<b>\$37.39</b>	<b>\$31.04</b>	<b>\$33.24</b>	<b>\$31.61</b>	<b>\$20.81</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.44	.41	.34	.29	.41
Net Realized and Unrealized Gain (Loss) on Investments	2.06	5.94	(2.54)	1.34	10.39
Total from Investment Operations	2.50	6.35	(2.20)	1.63	10.80
<b>Net Asset Value, End of Period</b>	<b>\$39.89</b>	<b>\$37.39</b>	<b>\$31.04</b>	<b>\$33.24</b>	<b>\$31.61</b>
<b>Total Return</b>	<b>6.69%</b>	<b>20.46%</b>	<b>-6.62%</b>	<b>5.16%</b>	<b>51.90%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$2,401	\$1,814	\$952	\$539	\$258
Ratio of Direct Expenses to Average Net Assets—Note B	0.050%	0.050%	0.050%	0.050%	0.04%
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075%	0.075%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.11%	1.24%	1.14%	0.85%	1.51%

<sup>1</sup> Calculated based on average units outstanding.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2065 Trust II (the "Trust") was established by a Declaration of Trust dated July 1, 2017, and most recently amended effective January 1, 2019, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2065 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 16% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.050% represents fees paid directly to the Trustee and 0.025% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	30,258	25,383
Redeemed	(18,580)	(7,545)
Net Increase (Decrease) in Units Outstanding	11,678	17,838

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### *Opinion*

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2065 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the five years in the period ended March 31, 2025 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the five years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025



**Vanguard® Fiduciary Trust Company**  
**Target Retirement 2070 Trust II**  
**Financial Statements**  
**March 31, 2025**

# Statement of Assets and Liabilities

As of March 31, 2025

(\$000s, except units and per-unit amounts)	Amount
<b>Assets</b>	
Investment in Target Retirement 2070 Master Trust, at Value* (Cost \$277,452)	304,060
Receivables for Units Issued	2,452
<b>Total Assets</b>	<b>306,512</b>
<b>Liabilities</b>	
Payables for Investment in the Master Trust Purchased	845
Payables for Units Redeemed	1,608
Accrued Expenses	12
<b>Total Liabilities</b>	<b>2,465</b>
<b>Net Assets</b>	<b>304,047</b>

<b>Units of Beneficial Ownership Outstanding</b>	<b>12,493,973</b>
--	-------------------

<b>Net Asset Value Per Unit (Net Assets Divided by Units Outstanding)</b>	<b>\$24.34</b>
---	----------------

• See Note A in Notes to Financial Statements.

## Statement of Operations

	Year Ended March 31, 2025
	(\$000)
<b>Investment Income</b>	
Net Investment Income allocated from the Master Trust	2,767
<b>Expenses</b>	
Trustees' Fee — Note B	116
<b>Net Investment Income</b>	<b>2,651</b>
<b>Realized Net Gain (Loss) allocated from the Master Trust</b>	<b>671</b>
<b>Change in Unrealized Appreciation (Depreciation) allocated from the Master Trust</b>	<b>8,631</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>11,953</b>

See accompanying Notes, which are an integral part of the Financial Statements.

# Statement of Changes in Net Assets

	Year Ended March 31,	
	2025 (\$000)	2024 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	2,651	1,031
Realized Net Gain (Loss)	671	192
Change in Unrealized Appreciation (Depreciation)	8,631	16,686
Net Increase (Decrease) in Net Assets Resulting from Operations	11,953	17,909
<b>Unit Transactions</b>		
Issued	253,658	135,223
Redeemed	(114,509)	(31,528)
Net Increase (Decrease) from Unit Transactions	139,149	103,695
Total Increase (Decrease)	151,102	121,604
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>152,945</b>	<b>31,341</b>
<b>End of Period</b>	<b>304,047</b>	<b>152,945</b>

See accompanying Notes, which are an integral part of the Financial Statements.

## Financial Highlights

	Year Ended March 31,		April 7, 2022 <sup>1</sup> to March 31,
For a Unit Outstanding Throughout Each Period	2025	2024	2023
<b>Net Asset Value, Beginning of Period</b>	<b>\$22.81</b>	<b>\$18.92</b>	<b>\$20.00</b>
<b>Investment Operations</b>			
Net Investment Income <sup>2</sup>	.28	.27	.25
Net Realized and Unrealized Gain (Loss) on Investments	1.25	3.62	(1.33)
Total from Investment Operations	1.53	3.89	(1.08)
<b>Net Asset Value, End of Period</b>	<b>\$24.34</b>	<b>\$22.81</b>	<b>\$18.92</b>
<b>Total Return</b>	<b>6.71%</b>	<b>20.56%</b>	<b>-5.40%</b>
<b>Ratios/Supplemental Data</b>			
Net Assets, End of Period (Millions)	\$304	\$153	\$31
Ratio of Direct Expenses to Average Net Assets—Note B	0.050%	0.050%	0.050% <sup>3</sup>
Ratio of Total Expenses Including Acquired Trust Expenses to Average Net Assets—Note B	0.075%	0.075%	0.075% <sup>3</sup>
Ratio of Net Investment Income to Average Net Assets	1.14%	1.31%	1.38% <sup>3</sup>

1 Inception.

2 Calculated based on average units outstanding.

3 Annualized.

## Notes to Financial Statements

Vanguard Fiduciary Trust Company Target Retirement 2070 Trust II (the "Trust") was established by a Declaration of Trust dated January 1, 2022, to provide a collective investment trust for employee benefit plans and eligible entities (see "Federal Income Taxes" below).

The Trust invests substantially all of its assets in Target Retirement 2070 Master Trust (the "Master Trust"), which has the same investment objectives as the Trust. The accompanying financial statements of the Master Trust, including the Schedule of Investments, should be read in conjunction with the financial statements of the Trust. The Master Trust allocates daily its net investment income, realized and unrealized gains and losses among its investor trusts based on their proportionate ownership. At March 31, 2025, the Trust owned 16% of the Master Trust.

**A.** The following significant accounting policies are consistently followed by the Trust in the preparation of its financial statements. Such policies are in accordance with the Declaration of Trust and in conformity with generally accepted accounting principles for U.S. investment companies.

1. **Security Valuation:** The Trust's investment in the Master Trust reflects its proportionate interest in the net assets of the Master Trust. This value is determined as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

2. **Investment Income, Realized and Unrealized Gains (Losses):** The Trust receives a daily allocation of its proportionate interest of net investment income, realized gains (losses), and change in unrealized appreciation (depreciation) from the Master Trust. The Trust accrues its own expenses, as described in Note B.

3. **Federal Income Taxes:** The Trust is qualified for the collective investment of funds of tax-exempt pension, stock bonus, and profit-sharing trusts under Section 401(a) of the Internal Revenue Code (the "Code"), governmental plans or units under Section 818(a)(6) of the Code, and church retirement income accounts under Section 403(b)(9) of the Code, and is exempt from federal income taxation under Section 501(a) of the Code. Net investment income and realized net gains are not required to be distributed to unitholders and are instead retained by the Trust. Management has reviewed the tax-exempt status of the Trust and has concluded that no provision for federal income tax is required in the financial statements.

**B.** Vanguard Fiduciary Trust Company is Trustee and administrator for the Trust. The Trustee provides corporate management and administrative services to the Trust in return for a fee calculated at an annual percentage rate of the average net assets of the Trust; the specified fee rate takes into account both expenses paid directly by the Trust and the underlying investments' expenses. For the year ended March 31, 2025, the total expenses of the Trust were 0.075%, of which 0.050% represents fees paid directly to the Trustee and 0.025% represents the Master Trust's share of the expenses of the underlying funds in which it invests.

**C.** Various inputs may be used to determine the value of the Trust's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

**Level 1**—Quoted prices in active markets for identical securities.

**Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

**Level 3**—Significant unobservable inputs (including the Trust's own assumptions used to determine the fair value of investments).

At March 31, 2025, the Trust's investment in the Master Trust is considered to be valued based on a Level 2 input, as the value of the Master Trust is not quoted in an active market. The Master Trust's investments are valued based on Level 1 inputs.

**D.** Units issued and redeemed were:

	Year Ended March 31,	
	2025 Units (000)	2024 Units (000)
Issued	10,506	6,583
Redeemed	(4,718)	(1,533)
Net Increase (Decrease) in Units Outstanding	5,788	5,050

**E.** Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, political or regulatory conditions, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Trust's investments and Trust performance.

To the extent the Trust's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the Trust may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

**F.** Management has determined that no events or transactions occurred through May 23, 2025, the date the financial statements were made available to be issued, that would require recognition or disclosure in these financial statements.



## **Report of Independent Auditors**

To the Board of Directors of Vanguard Fiduciary Trust Company

### ***Opinion***

We have audited the accompanying financial statements of Vanguard Fiduciary Trust Company Target Retirement 2070 Trust II (the "Trust"), which comprise the statement of assets and liabilities as of March 31, 2025, the related statement of operations for the year ended March 31, 2025, the statement of changes in net assets for each of the two years in the period ended March 31, 2025, including the related notes, and the financial highlights for each of the two years in the period ended March 31, 2025 and for the period April 7, 2022 (inception) through March 31, 2023 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of March 31, 2025, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended March 31, 2025 and the financial highlights for each of the two years in the period ended March 31, 2025 and for the period April 7, 2022 (inception) through March 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
May 23, 2025