Vanguard Institutional Target Retirement Funds

Balanced fund (stocks and bonds)

Investment objective

Vanguard Target Retirement Funds consist of twelve separate life-cycle funds that offer a simpler way for you to invest for retirement. Each fund is a multifund portfolio designed for a specific retirement time frame—you simply consider choosing the fund that most closely corresponds to the year in which you plan to retire. The fund’s asset allocation will automatically adjust—both now and in the future—relying on Vanguard’s investment strategies and extensive research. Each of the no-load, low-cost mutual funds invests in a diversified combination of underlying Vanguard funds, chosen from among five options (See Underlying funds). Through these underlying funds, you have a well-diversified portfolio that potentially offers exposure to small-, mid-, and large-cap domestic and international stocks, as well as domestic and international bonds. The asset mix graduallly and automatically becomes more conservative, reducing the proportion invested in stocks, as you approach and enter retirement.

These funds seek to provide capital appreciation and current income consistent with their current asset allocations.

Underlying funds

- Vanguard Total Stock Market Index Fund seeks to track the performance of the entire U.S. stock market.
- Vanguard Total Bond Market II Index Fund seeks to track the performance of a broad, market-weighted bond index.
- Vanguard Total International Stock Index Fund seeks to track the performance of stocks from developed and emerging markets, excluding the United States.
- Vanguard Total International Bond Index Fund seeks to track the performance of a U.S. dollar hedged benchmark index that measures the investment return of investment-grade bonds issued outside of the United States.
- Vanguard Short-Term Inflation-Protected Securities Fund seeks to track the performance of a benchmark index that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

PlainTalk® about risk

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Funds is not guaranteed at any time, including on or after the target date. Diversification does not ensure a profit or protect against a loss. An investment in these funds is subject to the price fluctuations inherent in the stock and bond markets, so you could lose money if you sell shares after prices have fallen.

Each fund invests in broadly diversified Vanguard funds. These funds are subject to the risks associated with those underlying funds. All funds are subject to risk, including the possible loss of the money you invest. Bond funds are subject to interest rate, credit, and inflation risk. Stocks of companies based in emerging markets are subject to national and regional political and economic risks and to the risk of currency fluctuations. These risks are especially high in emerging markets. Because the funds invest in Vanguard Total International Bond Index Fund, each is subject to currency hedging risk, which is the chance that currency hedging transactions may not perfectly offset the fund’s foreign currency exposures and may eliminate any chance for a fund to benefit from favorable fluctuations in those currencies. Vanguard Total International Bond Index Fund will incur expenses to hedge its currency exposures. Because the funds invest in Vanguard Short-Term Inflation-Protected Securities Index Fund, each is subject to the risks associated with U.S. Treasury securities. U.S. government backing of Treasury or agency securities applies only to the underlying securities and does not prevent share-price fluctuations. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest. Diversification does not ensure a profit or protect against a loss.

See the prospectuses for more information on risk.

---

1 This figure represents a weighted average of the expense ratios and any fees charged by the underlying mutual funds in which the Target Retirement Funds invest. The Target Retirement Funds do not charge any expenses or fees of their own. “Acquired” is a term that the Securities and Exchange Commission applies to any mutual fund whose shares are owned by another fund.
Vanguard Institutional Target Retirement Funds

Balanced fund (stocks and bonds)

Average annual total returns

<table>
<thead>
<tr>
<th>Funds (Inception date)</th>
<th>Quarter</th>
<th>Year to date</th>
<th>One year</th>
<th>Three years</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Institutional Target Retirement 2065 Fund (July 12, 2017)</td>
<td>11.55%</td>
<td>11.55%</td>
<td>3.28%</td>
<td>—</td>
<td>7.10%</td>
</tr>
<tr>
<td>Target Retirement 2065 Composite Ix²</td>
<td>11.57%</td>
<td>11.57%</td>
<td>3.63%</td>
<td>—</td>
<td>7.18%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2060 Fund (June 26, 2015)</td>
<td>11.53%</td>
<td>11.53%</td>
<td>3.31%</td>
<td>10.47%</td>
<td>6.79%</td>
</tr>
<tr>
<td>Target Retirement 2060 Composite Ix²</td>
<td>11.57%</td>
<td>11.57%</td>
<td>3.63%</td>
<td>10.62%</td>
<td>7.05%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2055 Fund (June 26, 2015)</td>
<td>11.53%</td>
<td>11.53%</td>
<td>3.36%</td>
<td>10.49%</td>
<td>6.83%</td>
</tr>
<tr>
<td>Target Retirement 2055 Composite Ix²</td>
<td>11.57%</td>
<td>11.57%</td>
<td>3.63%</td>
<td>10.62%</td>
<td>7.05%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2050 Fund (June 26, 2015)</td>
<td>11.52%</td>
<td>11.52%</td>
<td>3.31%</td>
<td>10.47%</td>
<td>6.81%</td>
</tr>
<tr>
<td>Target Retirement 2050 Composite Ix²</td>
<td>11.57%</td>
<td>11.57%</td>
<td>3.63%</td>
<td>10.62%</td>
<td>7.05%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2045 Fund (June 26, 2015)</td>
<td>11.54%</td>
<td>11.54%</td>
<td>3.33%</td>
<td>10.49%</td>
<td>6.82%</td>
</tr>
<tr>
<td>Target Retirement 2045 Composite Ix²</td>
<td>11.57%</td>
<td>11.57%</td>
<td>3.63%</td>
<td>10.62%</td>
<td>7.05%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2040 Fund (June 26, 2015)</td>
<td>11.00%</td>
<td>11.00%</td>
<td>3.45%</td>
<td>10.25%</td>
<td>6.64%</td>
</tr>
<tr>
<td>Target Retirement 2040 Composite Ix²</td>
<td>11.03%</td>
<td>11.03%</td>
<td>3.72%</td>
<td>10.38%</td>
<td>6.87%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2035 Fund (June 26, 2015)</td>
<td>10.28%</td>
<td>10.28%</td>
<td>3.62%</td>
<td>9.58%</td>
<td>6.40%</td>
</tr>
<tr>
<td>Target Retirement 2035 Composite Ix²</td>
<td>10.30%</td>
<td>10.30%</td>
<td>3.86%</td>
<td>9.72%</td>
<td>6.60%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2030 Fund (June 26, 2015)</td>
<td>9.56%</td>
<td>9.56%</td>
<td>3.77%</td>
<td>8.92%</td>
<td>6.13%</td>
</tr>
<tr>
<td>Target Retirement 2030 Composite Ix²</td>
<td>9.58%</td>
<td>9.58%</td>
<td>3.99%</td>
<td>9.05%</td>
<td>6.33%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2025 Fund (June 26, 2015)</td>
<td>8.79%</td>
<td>8.79%</td>
<td>3.91%</td>
<td>8.25%</td>
<td>5.86%</td>
</tr>
<tr>
<td>Target Retirement 2025 Composite Ix²</td>
<td>8.87%</td>
<td>8.87%</td>
<td>4.11%</td>
<td>8.38%</td>
<td>6.04%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2020 Fund (June 26, 2015)</td>
<td>7.85%</td>
<td>7.85%</td>
<td>3.91%</td>
<td>7.44%</td>
<td>5.46%</td>
</tr>
<tr>
<td>Target Retirement 2020 Composite Ix²</td>
<td>7.88%</td>
<td>7.88%</td>
<td>4.08%</td>
<td>7.57%</td>
<td>5.62%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement 2015 Fund (June 26, 2015)</td>
<td>6.49%</td>
<td>6.49%</td>
<td>3.92%</td>
<td>6.33%</td>
<td>4.81%</td>
</tr>
<tr>
<td>Target Retirement 2015 Composite Ix²</td>
<td>6.53%</td>
<td>6.53%</td>
<td>4.05%</td>
<td>6.44%</td>
<td>4.95%</td>
</tr>
<tr>
<td>Vanguard Institutional Target Retirement Income Fund (June 26, 2015)</td>
<td>5.58%</td>
<td>5.58%</td>
<td>4.03%</td>
<td>4.96%</td>
<td>4.21%</td>
</tr>
<tr>
<td>Target Retirement Income Compos. Ix²</td>
<td>5.60%</td>
<td>5.60%</td>
<td>4.06%</td>
<td>5.04%</td>
<td>4.33%</td>
</tr>
</tbody>
</table>

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors’ shares, when sold, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

1 Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

2 Derived by applying the fund’s target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter, as well as the Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index through June 2, 2013, and the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index thereafter; for short-term reserves, the Citigroup Three-Month Treasury Bill Index through June 2, 2013; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index beginning June 3, 2013; and for U.S. stocks, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you.

If you receive your retirement plan statement from Vanguard or log on to Vanguard’s website to view your plan, visit vanguard.com or call 800-523-1188.

If you receive your retirement plan statement from a service provider other than Vanguard or log on to a recordkeeper’s website that is not Vanguard to view your plan, please call 855-402-2646.

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