



**Semiannual Report** | March 31, 2023

## Vanguard Target Retirement Funds

Vanguard Target Retirement 2045 Fund

Vanguard Target Retirement 2050 Fund

Vanguard Target Retirement 2055 Fund

Vanguard Target Retirement 2060 Fund

Vanguard Target Retirement 2065 Fund

Vanguard Target Retirement 2070 Fund

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## About Your Fund's Expenses

As a shareholder of the fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of the fund.

A fund's expenses are expressed as a percentage of its average net assets. The Target Retirement Funds have no direct expenses, but each fund bears its proportionate share of the costs for the underlying funds in which it invests. These indirect expenses make up the acquired fund fees and expenses, also expressed as a percentage of average net assets. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period. The costs were calculated using the acquired fund fees and expenses for each Target Retirement Fund.

The accompanying table illustrates your fund's costs in two ways:

- **Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund under the heading "Expenses Paid During Period."

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the fund's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only. Further, the expenses do not include any purchase, redemption, or account service fees described in the fund prospectus. If such fees were applied to your account, your costs would be higher. Your fund does not carry a "sales load."

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the fund's expenses in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your fund's current prospectus.

**Six Months Ended March 31, 2023**

	Beginning Account Value 9/30/2022	Ending Account Value 3/31/2023	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Target Retirement 2045 Fund	\$1,000.00	\$1,159.50	\$0.43
Target Retirement 2050 Fund	\$1,000.00	\$1,164.80	\$0.43
Target Retirement 2055 Fund	\$1,000.00	\$1,164.90	\$0.43
Target Retirement 2060 Fund	\$1,000.00	\$1,164.90	\$0.43
Target Retirement 2065 Fund	\$1,000.00	\$1,165.00	\$0.43
Target Retirement 2070 Fund	\$1,000.00	\$1,164.70	\$0.43
<b>Based on Hypothetical 5% Yearly Return</b>			
Target Retirement 2045 Fund	\$1,000.00	\$1,024.53	\$0.40
Target Retirement 2050 Fund	\$1,000.00	\$1,024.53	\$0.40
Target Retirement 2055 Fund	\$1,000.00	\$1,024.53	\$0.40
Target Retirement 2060 Fund	\$1,000.00	\$1,024.53	\$0.40
Target Retirement 2065 Fund	\$1,000.00	\$1,024.53	\$0.40
Target Retirement 2070 Fund	\$1,000.00	\$1,024.53	\$0.40

The calculations are based on acquired fund fees and expenses for the most recent six-month period. The underlying funds' annualized expense figures for that period are (in order as listed from top to bottom above) 0.08%, 0.08%, 0.08%, 0.08%, 0.08%, and 0.08%. The dollar amounts shown as "Expenses Paid" are equal to the annualized average weighted expense ratio for the underlying funds multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (182/365).

# Target Retirement 2045 Fund

## Underlying Vanguard Funds

As of March 31, 2023

Vanguard Total Stock Market Index Fund Institutional Plus Shares	51.6%
Vanguard Total International Stock Index Fund Investor Shares	34.7
Vanguard Total Bond Market II Index Fund Investor Shares	9.6
Vanguard Total International Bond II Index Fund Institutional Shares	4.1

The table reflects the fund's investments, except for short-term investments and derivatives.

## Financial Statements (unaudited)

### Schedule of Investments

As of March 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (98.6%)</b>		
<b>U.S. Stock Fund (50.9%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	179,778,210	33,508,860
<b>International Stock Fund (34.2%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	1,272,012,893	22,552,789
<b>U.S. Bond Fund (9.5%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	653,648,516	6,275,026
<b>International Bond Fund (4.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	100,349,691	2,637,190
<b>Total Investment Companies (Cost \$49,975,891)</b>		<b>64,973,865</b>
<b>Temporary Cash Investments (1.3%)</b>		
<b>Money Market Fund (1.3%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.839% (Cost \$890,110)	8,903,334	890,244
<b>Total Investments (99.9%) (Cost \$50,866,001)</b>		<b>65,864,109</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>57,646</b>
<b>Net Assets (100%)</b>		<b>65,921,755</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

<sup>1</sup> Affiliated fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown for Vanguard Market Liquidity Fund is the 7-day yield.

#### Derivative Financial Instruments Outstanding as of Period End

##### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2023	4,138	475,547	12,424
E-mini S&P 500 Index	June 2023	2,103	435,084	24,917
				<u>37,341</u>

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

# Statement of Assets and Liabilities

As of March 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$50,866,001)	65,864,109
Cash Collateral Pledged—Futures Contracts	32,870
Receivables for Investment Securities Sold	22,000
Receivables for Accrued Income	22,296
Receivables for Capital Shares Issued	115,758
Variation Margin Receivable—Futures Contracts	7,495
<b>Total Assets</b>	<b>66,064,528</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	93,267
Payables for Capital Shares Redeemed	49,506
<b>Total Liabilities</b>	<b>142,773</b>
<b>Net Assets</b>	<b>65,921,755</b>

At March 31, 2023, net assets consisted of:

Paid-in Capital	50,180,897
Total Distributable Earnings (Loss)	15,740,858
<b>Net Assets</b>	<b>65,921,755</b>

<b>Net Assets</b>	
Applicable to 2,712,988,702 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	65,921,755
<b>Net Asset Value Per Share</b>	<b>\$24.30</b>

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

# Statement of Operations

Six Months Ended  
March 31, 2023

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	684,712
<b>Net Investment Income—Note B</b>	<b>684,712</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	2
Affiliated Funds Sold <sup>1</sup>	573,505
Futures Contracts	(51,828)
<b>Realized Net Gain (Loss)</b>	<b>521,679</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	7,597,022
Futures Contracts	112,138
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>7,709,160</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>8,915,551</b>

1 Includes \$682,804,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	684,712	1,059,647
Realized Net Gain (Loss)	521,679	1,194,719
Change in Unrealized Appreciation (Depreciation)	7,709,160	(15,908,582)
Net Increase (Decrease) in Net Assets Resulting from Operations	8,915,551	(13,654,216)
<b>Distributions</b>		
Total Distributions	(1,622,229)	(3,956,957)
<b>Capital Share Transactions</b>		
Issued	4,964,893	8,673,949
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2045 Fund—Note G	—	38,974,576
Issued in Lieu of Cash Distributions	1,597,470	3,853,831
Redeemed	(3,855,248)	(6,887,917)
Net Increase (Decrease) from Capital Share Transactions	2,707,115	44,614,439
Total Increase (Decrease)	10,000,437	27,003,266
<b>Net Assets</b>		
Beginning of Period	55,921,318	28,918,052
End of Period	<b>65,921,755</b>	<b>55,921,318</b>

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31, 2023		Year Ended September 30,				
	2022	2021	2020	2019	2018		
<b>Net Asset Value, Beginning of Period</b>	<b>\$21.54</b>	<b>\$31.04</b>	<b>\$25.22</b>	<b>\$23.38</b>	<b>\$23.49</b>	<b>\$21.80</b>	
<b>Investment Operations</b>							
Net Investment Income <sup>1</sup>	.260	.536	.495	.492	.527	.492	
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.007	.020	—	—	—	
Net Realized and Unrealized Gain (Loss) on Investments	3.128	(5.672)	5.840	1.900	(.128)	1.636	
Total from Investment Operations	3.388	(5.129)	6.355	2.392	.399	2.128	
<b>Distributions</b>							
Dividends from Net Investment Income	(.486)	(.629)	(.452)	(.552)	(.483)	(.428)	
Distributions from Realized Capital Gains	(.142)	(3.742)	(.083)	—	(.026)	(.010)	
Total Distributions	(.628)	(4.371)	(.535)	(.552)	(.509)	(.438)	
<b>Net Asset Value, End of Period</b>	<b>\$24.30</b>	<b>\$21.54</b>	<b>\$31.04</b>	<b>\$25.22</b>	<b>\$23.38</b>	<b>\$23.49</b>	
<b>Total Return<sup>3</sup></b>	<b>15.95%</b>	<b>-19.93%</b>	<b>25.42%</b>	<b>10.27%</b>	<b>2.06%</b>	<b>9.85%</b>	
<b>Ratios/Supplemental Data</b>							
Net Assets, End of Period (Millions)	\$65,922	\$55,921	\$28,918	\$30,205	\$26,670	\$24,330	
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—	
Acquired Fund Fees and Expenses	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%	0.15%	
Ratio of Net Investment Income to Average Net Assets	2.22%	2.09%	1.68%	2.08%	2.35%	2.16%	
Portfolio Turnover Rate	1% <sup>5</sup>	5% <sup>5</sup>	4%	9%	4%	7%	

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2045 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis. See Note G.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2045 Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund follows a balanced investment strategy by investing in selected Vanguard funds to achieve its targeted allocation of assets to U.S. and international stocks, and U.S. and international bonds. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, 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 fund's investments and fund performance.

**A.** The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

**1. Security Valuation:** Investments are valued at the net asset value of each underlying Vanguard fund determined as of the close of the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

**2. Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

**3. Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.
  5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and borne by the funds in which the fund invests (see Note B). Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.
- In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.
- For the six months ended March 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.
6. Other: Income and capital gain distributions received are recorded on the ex-dividend date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.
  - B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. The FSA provides that expenses otherwise allocable to Vanguard funds-of-funds may be reduced or eliminated to the extent of savings realized by the underlying Vanguard funds by virtue of being part of a fund-of-funds. Accordingly, all expenses for services provided by Vanguard to the fund and all other expenses incurred by the fund during the six months ended March 31, 2023, were borne by the underlying Vanguard funds in which the fund invests. The fund's trustees and officers are also trustees and officers, respectively, of the underlying Vanguard funds, as well as directors and employees, respectively, of Vanguard.

C. The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2023, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	50,949,638
Gross Unrealized Appreciation	16,605,675
Gross Unrealized Depreciation	(1,653,863)
Net Unrealized Appreciation (Depreciation)	14,951,812

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	Shares (000)	Shares (000)
Issued	211,078	336,528
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2045 Fund—Note G	—	1,452,108
Issued in Lieu of Cash Distributions	70,747	135,603
Redeemed	(165,139)	(259,692)
Net Increase (Decrease) in Shares Outstanding	116,686	1,664,547

G. On February 11, 2022, the Vanguard Target Retirement 2045 Fund acquired all the net assets of Vanguard Institutional Target Retirement 2045 Fund (the “Acquired Fund”) pursuant to a plan of reorganization approved by the funds’ board of trustees in September 2021. The acquisition was accomplished by a tax-free exchange of 1,452,108,000 shares of Vanguard Target Retirement 2045 Fund for the 1,222,157,000 shares of the Acquired Fund outstanding on February 11, 2022. The Acquired Fund’s net assets of \$38,974,576,000, including \$9,546,130,000 of unrealized appreciation, were combined with Vanguard Target Retirement 2045 Fund’s net assets of \$28,598,689,000, resulting in combined net assets of \$67,573,265,000 on February 11, 2022.

H. Transactions during the period in affiliated underlying Vanguard funds were as follows:

	Current Period Transactions							
	Sep. 30, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2023 Market Value (\$000)
Vanguard Market Liquidity Fund	760,294	NA <sup>2</sup>	NA <sup>2</sup>	13	145	15,672	2	890,244
Vanguard Total Bond Market II Index Fund	5,283,074	1,064,914	268,988	(7,336)	203,362	79,101	—	6,275,026
Vanguard Total International Bond II Index Fund	2,357,925	278,236	67,304	(1,736)	70,069	17,065	—	2,637,190
Vanguard Total International Stock Index Fund	18,989,256	786,878	1,151,815	(6,613)	3,935,083	297,839	—	22,552,789
Vanguard Total Stock Market Index Fund	28,525,761	1,752,757	747,198	589,177	3,388,363	275,035	—	33,508,860
Total	55,916,310	3,882,785	2,235,305	573,505	7,597,022	684,712	2	65,864,109

1 Includes \$1,443,010,000 of portfolio securities delivered as a result of in-kind redemptions of the fund’s capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2023, that would require recognition or disclosure in these financial statements.

# Target Retirement 2050 Fund

## Underlying Vanguard Funds

As of March 31, 2023

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	36.3
Vanguard Total Bond Market II Index Fund Investor Shares	6.8
Vanguard Total International Bond II Index Fund Institutional Shares	2.8

The table reflects the fund's investments, except for short-term investments and derivatives.

## Financial Statements (unaudited)

### Schedule of Investments

As of March 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (98.6%)</b>		
<b>U.S. Stock Fund (53.3%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	153,297,695	28,573,158
<b>International Stock Fund (35.9%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	1,083,650,581	19,213,125
<b>U.S. Bond Fund (6.7%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	374,389,240	3,594,136
<b>International Bond Fund (2.7%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	55,697,025	1,463,718
<b>Total Investment Companies (Cost \$42,369,319)</b>		<b>52,844,137</b>
<b>Temporary Cash Investments (1.3%)</b>		
<b>Money Market Fund (1.3%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.839% (Cost \$699,390)	6,995,786	699,509
<b>Total Investments (99.9%) (Cost \$43,068,709)</b>		<b>53,543,646</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>46,166</b>
<b>Net Assets (100%)</b>		<b>53,589,812</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

<sup>1</sup> Affiliated fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown for Vanguard Market Liquidity Fund is the 7-day yield.

#### Derivative Financial Instruments Outstanding as of Period End

##### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2023	3,048	350,282	9,078
E-mini S&P 500 Index	June 2023	1,740	359,984	21,108
				<u>30,186</u>

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

# Statement of Assets and Liabilities

As of March 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$43,068,709)	53,543,646
Cash Collateral Pledged—Futures Contracts	26,353
Receivables for Investment Securities Sold	10,000
Receivables for Accrued Income	13,497
Receivables for Capital Shares Issued	119,774
Variation Margin Receivable—Futures Contracts	6,072
<b>Total Assets</b>	<b>53,719,342</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	86,685
Payables for Capital Shares Redeemed	42,845
<b>Total Liabilities</b>	<b>129,530</b>
<b>Net Assets</b>	<b>53,589,812</b>

At March 31, 2023, net assets consisted of:

Paid-in Capital	42,459,025
Total Distributable Earnings (Loss)	11,130,787
<b>Net Assets</b>	<b>53,589,812</b>

<b>Net Assets</b>	
Applicable to 1,329,605,573 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	53,589,812
<b>Net Asset Value Per Share</b>	<b>\$40.31</b>

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

# Statement of Operations

Six Months Ended  
March 31, 2023

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	549,959
<b>Net Investment Income—Note B</b>	<b>549,959</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	1
Affiliated Funds Sold <sup>1</sup>	513,932
Futures Contracts	(41,510)
<b>Realized Net Gain (Loss)</b>	<b>472,423</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	6,263,477
Futures Contracts	89,392
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>6,352,869</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>7,375,251</b>

1 Includes \$645,682,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	549,959	834,943
Realized Net Gain (Loss)	472,423	731,107
Change in Unrealized Appreciation (Depreciation)	6,352,869	(12,598,775)
Net Increase (Decrease) in Net Assets Resulting from Operations	7,375,251	(11,032,725)
<b>Distributions</b>		
Total Distributions	(1,134,128)	(2,514,988)
<b>Capital Share Transactions</b>		
Issued	4,993,095	8,252,573
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2050 Fund—Note G	—	31,731,807
Issued in Lieu of Cash Distributions	1,115,771	2,439,402
Redeemed	(3,496,408)	(5,723,074)
Net Increase (Decrease) from Capital Share Transactions	2,612,458	36,700,708
Total Increase (Decrease)	8,853,581	23,152,995
<b>Net Assets</b>		
Beginning of Period	44,736,231	21,583,236
End of Period	53,589,812	44,736,231

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31, 2023		Year Ended September 30,			
	2022	2021	2020	2019	2018	
<b>Net Asset Value, Beginning of Period</b>	<b>\$35.44</b>	<b>\$50.09</b>	<b>\$40.60</b>	<b>\$37.63</b>	<b>\$37.80</b>	<b>\$35.07</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.429	.884	.798	.793	.851	.794
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.009	.031	—	—	.001
Net Realized and Unrealized Gain (Loss) on Investments	5.342	(9.524)	9.498	3.053	(.204)	2.629
Total from Investment Operations	5.771	(8.631)	10.327	3.846	.647	3.424
<b>Distributions</b>						
Dividends from Net Investment Income	(.805)	(1.026)	(.741)	(.876)	(.789)	(.684)
Distributions from Realized Capital Gains	(.096)	(4.993)	(.096)	—	(.028)	(.010)
Total Distributions	(.901)	(6.019)	(.837)	(.876)	(.817)	(.694)
<b>Net Asset Value, End of Period</b>	<b>\$40.31</b>	<b>\$35.44</b>	<b>\$50.09</b>	<b>\$40.60</b>	<b>\$37.63</b>	<b>\$37.80</b>
<b>Total Return<sup>3</sup></b>	<b>16.48%</b>	<b>-20.18%</b>	<b>25.65%</b>	<b>10.26%</b>	<b>2.07%</b>	<b>9.84%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$53,590	\$44,736	\$21,583	\$22,979	\$19,470	\$16,804
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.22%	2.10%	1.68%	2.08%	2.36%	2.16%
Portfolio Turnover Rate	2% <sup>5</sup>	4% <sup>5</sup>	4%	9%	3%	7%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2050 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis. See Note G.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2050 Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund follows a balanced investment strategy by investing in selected Vanguard funds to achieve its targeted allocation of assets to U.S. and international stocks, and U.S. and international bonds. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, 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 fund's investments and fund performance.

**A.** The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

**1. Security Valuation:** Investments are valued at the net asset value of each underlying Vanguard fund determined as of the close of the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

**2. Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

**3. Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.
  5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and borne by the funds in which the fund invests (see Note B). Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.
- In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.
- For the six months ended March 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.
6. Other: Income and capital gain distributions received are recorded on the ex-dividend date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.
  - B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. The FSA provides that expenses otherwise allocable to Vanguard funds-of-funds may be reduced or eliminated to the extent of savings realized by the underlying Vanguard funds by virtue of being part of a fund-of-funds. Accordingly, all expenses for services provided by Vanguard to the fund and all other expenses incurred by the fund during the six months ended March 31, 2023, were borne by the underlying Vanguard funds in which the fund invests. The fund's trustees and officers are also trustees and officers, respectively, of the underlying Vanguard funds, as well as directors and employees, respectively, of Vanguard.

C. The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2023, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	43,188,416
Gross Unrealized Appreciation	11,716,963
Gross Unrealized Depreciation	(1,331,547)
Net Unrealized Appreciation (Depreciation)	10,385,416

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	Shares (000)	Shares (000)
Issued	128,300	194,700
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2050 Fund—Note G	—	715,647
Issued in Lieu of Cash Distributions	29,841	51,935
Redeemed	(90,701)	(131,023)
Net Increase (Decrease) in Shares Outstanding	67,440	831,259

G. On February 11, 2022, the Vanguard Target Retirement 2050 Fund acquired all the net assets of Vanguard Institutional Target Retirement 2050 Fund (the “Acquired Fund”) pursuant to a plan of reorganization approved by the funds’ board of trustees in September 2021. The acquisition was accomplished by a tax-free exchange of 715,647,000 shares of Vanguard Target Retirement 2050 Fund for the 990,381,000 shares of the Acquired Fund outstanding on February 11, 2022. The Acquired Fund’s net assets of \$31,731,807,000, including \$7,205,789,000 of unrealized appreciation, were combined with Vanguard Target Retirement 2050 Fund’s net assets of \$21,438,369,000, resulting in combined net assets of \$53,170,176,000 on February 11, 2022.

H. Transactions during the period in affiliated underlying Vanguard funds were as follows:

	Current Period Transactions							
	Sep. 30, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2023 Market Value (\$000)
Vanguard Market Liquidity Fund	595,970	NA <sup>2</sup>	NA <sup>2</sup>	17	107	12,117	1	699,509
Vanguard Total Bond Market II Index Fund	3,147,317	632,016	297,502	(23,875)	136,180	46,018	—	3,594,136
Vanguard Total International Bond II Index Fund	1,437,305	71,819	85,610	(10,033)	50,237	9,802	—	1,463,718
Vanguard Total International Stock Index Fund	15,922,776	1,014,408	1,028,378	(13,766)	3,318,085	249,695	—	19,213,125
Vanguard Total Stock Market Index Fund	23,619,117	2,364,571	730,987	561,589	2,758,868	232,327	—	28,573,158
Total	44,722,485	4,082,814	2,142,477	513,932	6,263,477	549,959	1	53,543,646

1 Includes \$1,353,680,000 of portfolio securities delivered as a result of in-kind redemptions of the fund’s capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2023, that would require recognition or disclosure in these financial statements.

# Target Retirement 2055 Fund

## Underlying Vanguard Funds

As of March 31, 2023

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	36.3
Vanguard Total Bond Market II Index Fund Investor Shares	6.8
Vanguard Total International Bond II Index Fund Institutional Shares	2.8

The table reflects the fund's investments, except for short-term investments and derivatives.

## Financial Statements (unaudited)

### Schedule of Investments

As of March 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (98.6%)</b>		
<b>U.S. Stock Fund (53.3%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	97,121,443	18,102,466
<b>International Stock Fund (35.9%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	686,444,167	12,170,655
<b>U.S. Bond Fund (6.7%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	236,460,541	2,270,021
<b>International Bond Fund (2.7%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	35,208,394	925,277
<b>Total Investment Companies (Cost \$28,899,075)</b>		<b>33,468,419</b>
<b>Temporary Cash Investments (1.3%)</b>		
<b>Money Market Fund (1.3%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.839% (Cost \$423,037)	4,231,623	423,120
<b>Total Investments (99.9%) (Cost \$29,322,112)</b>		<b>33,891,539</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>37,275</b>
<b>Net Assets (100%)</b>		<b>33,928,814</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

<sup>1</sup> Affiliated fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown for Vanguard Market Liquidity Fund is the 7-day yield.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2023	1,822	209,388	5,563
E-mini S&P 500 Index	June 2023	1,067	220,749	12,944
				<b>18,507</b>

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

# Statement of Assets and Liabilities

As of March 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$29,322,112)	33,891,539
Cash Collateral Pledged—Futures Contracts	16,059
Receivables for Investment Securities Sold	8,000
Receivables for Accrued Income	8,471
Receivables for Capital Shares Issued	105,842
Variation Margin Receivable—Futures Contracts	3,707
<b>Total Assets</b>	<b>34,033,618</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	88,775
Payables for Capital Shares Redeemed	16,029
<b>Total Liabilities</b>	<b>104,804</b>
<b>Net Assets</b>	<b>33,928,814</b>

At March 31, 2023, net assets consisted of:

Paid-in Capital	28,932,298
Total Distributable Earnings (Loss)	4,996,516
<b>Net Assets</b>	<b>33,928,814</b>

<b>Net Assets</b>	
Applicable to 754,552,840 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	33,928,814
<b>Net Asset Value Per Share</b>	<b>\$44.97</b>

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

# Statement of Operations

Six Months Ended  
March 31, 2023

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	343,243
<b>Net Investment Income—Note B</b>	<b>343,243</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	1
Affiliated Funds Sold <sup>1</sup>	337,478
Futures Contracts	(26,567)
<b>Realized Net Gain (Loss)</b>	<b>310,912</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	3,877,028
Futures Contracts	55,114
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>3,932,142</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>4,586,297</b>

1 Includes \$390,952,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	343,243	502,651
Realized Net Gain (Loss)	310,912	336,184
Change in Unrealized Appreciation (Depreciation)	3,932,142	(7,551,022)
Net Increase (Decrease) in Net Assets Resulting from Operations	4,586,297	(6,712,187)
<b>Distributions</b>		
Total Distributions	(648,929)	(1,181,452)
<b>Capital Share Transactions</b>		
Issued	4,183,636	6,339,068
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2055 Fund—Note G	—	19,001,359
Issued in Lieu of Cash Distributions	638,184	1,145,310
Redeemed	(2,400,408)	(3,538,531)
Net Increase (Decrease) from Capital Share Transactions	2,421,412	22,947,206
Total Increase (Decrease)	6,358,780	15,053,567
<b>Net Assets</b>		
Beginning of Period	27,570,034	12,516,467
End of Period	33,928,814	27,570,034

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2023	2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$39.46</b>	<b>\$54.38</b>	<b>\$44.08</b>	<b>\$40.84</b>	<b>\$40.95</b>	<b>\$37.98</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.479	.981	.868	.862	.929	.868
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.010	.034	—	—	.001
Net Realized and Unrealized Gain (Loss) on Investments	5.954	(10.672)	10.295	3.307	(.209)	2.819
Total from Investment Operations	6.433	(9.681)	11.197	4.169	.720	3.688
<b>Distributions</b>						
Dividends from Net Investment Income	(.885)	(1.099)	(.791)	(.929)	(.830)	(.718)
Distributions from Realized Capital Gains	(.038)	(4.140)	(.106)	—	—	—
Total Distributions	(.923)	(5.239)	(.897)	(.929)	(.830)	(.718)
<b>Net Asset Value, End of Period</b>	<b>\$44.97</b>	<b>\$39.46</b>	<b>\$54.38</b>	<b>\$44.08</b>	<b>\$40.84</b>	<b>\$40.95</b>
<b>Total Return<sup>3</sup></b>	<b>16.49%</b>	<b>-20.17%</b>	<b>25.61%</b>	<b>10.25%</b>	<b>2.09%</b>	<b>9.79%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$33,929	\$27,570	\$12,516	\$12,901	\$10,202	\$8,011
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.22%	2.10%	1.68%	2.09%	2.37%	2.18%
Portfolio Turnover Rate	1% <sup>5</sup>	4% <sup>5</sup>	6%	8%	3%	5%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2055 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis. See Note G.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2055 Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund follows a balanced investment strategy by investing in selected Vanguard funds to achieve its targeted allocation of assets to U.S. and international stocks, and U.S. and international bonds. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, 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 fund's investments and fund performance.

**A.** The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

**1. Security Valuation:** Investments are valued at the net asset value of each underlying Vanguard fund determined as of the close of the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

**2. Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

**3. Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.
  5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and borne by the funds in which the fund invests (see Note B). Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.
- In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.
- For the six months ended March 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.
6. Other: Income and capital gain distributions received are recorded on the ex-dividend date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.
  - B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. The FSA provides that expenses otherwise allocable to Vanguard funds-of-funds may be reduced or eliminated to the extent of savings realized by the underlying Vanguard funds by virtue of being part of a fund-of-funds. Accordingly, all expenses for services provided by Vanguard to the fund and all other expenses incurred by the fund during the six months ended March 31, 2023, were borne by the underlying Vanguard funds in which the fund invests. The fund's trustees and officers are also trustees and officers, respectively, of the underlying Vanguard funds, as well as directors and employees, respectively, of Vanguard.

C. The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2023, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	29,390,140
Gross Unrealized Appreciation	5,486,099
Gross Unrealized Depreciation	(966,193)
Net Unrealized Appreciation (Depreciation)	4,519,906

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	Shares (000)	Shares (000)
Issued	96,458	135,178
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2055 Fund—Note G	—	384,955
Issued in Lieu of Cash Distributions	15,301	21,903
Redeemed	(55,876)	(73,546)
Net Increase (Decrease) in Shares Outstanding	55,883	468,490

G. On February 11, 2022, the Vanguard Target Retirement 2055 Fund acquired all the net assets of Vanguard Institutional Target Retirement 2055 Fund (the “Acquired Fund”) pursuant to a plan of reorganization approved by the funds’ board of trustees in September 2021. The acquisition was accomplished by a tax-free exchange of 384,955,000 shares of Vanguard Target Retirement 2055 Fund for the 590,471,000 shares of the Acquired Fund outstanding on February 11, 2022. The Acquired Fund’s net assets of \$19,001,359,000, including \$3,713,220,000 of unrealized appreciation, were combined with Vanguard Target Retirement 2055 Fund’s net assets of \$12,651,876,000, resulting in combined net assets of \$31,653,235,000 on February 11, 2022.

H. Transactions during the period in affiliated underlying Vanguard funds were as follows:

	Current Period Transactions							
	Sep. 30, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (\$000)	Unrealized Change in App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2023 Market Value (\$000)
Vanguard Market Liquidity Fund	374,454	NA <sup>2</sup>	NA <sup>2</sup>	13	64	7,713	1	423,120
Vanguard Total Bond Market II Index Fund	1,931,971	440,669	172,737	(12,613)	82,731	28,764	—	2,270,021
Vanguard Total International Bond II Index Fund	872,382	72,700	44,688	(3,422)	28,305	6,071	—	925,277
Vanguard Total International Stock Index Fund	9,834,856	866,114	583,528	16,454	2,036,759	155,215	—	12,170,655
Vanguard Total Stock Market Index Fund	14,550,078	2,026,654	540,481	337,046	1,729,169	145,480	—	18,102,466
Total	27,563,741	3,406,137	1,341,434	337,478	3,877,028	343,243	1	33,891,539

1 Includes \$989,620,000 of portfolio securities delivered as a result of in-kind redemptions of the fund’s capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2023, that would require recognition or disclosure in these financial statements.

# Target Retirement 2060 Fund

## Underlying Vanguard Funds

As of March 31, 2023

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	36.4
Vanguard Total Bond Market II Index Fund Investor Shares	6.7
Vanguard Total International Bond II Index Fund Institutional Shares	2.8

The table reflects the fund's investments, except for short-term investments and derivatives.

## Financial Statements (unaudited)

### Schedule of Investments

As of March 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (98.6%)</b>		
<b>U.S. Stock Fund (53.4%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	50,191,642	9,355,220
<b>International Stock Fund (35.9%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	354,862,914	6,291,719
<b>U.S. Bond Fund (6.6%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	120,534,634	1,157,133
<b>International Bond Fund (2.7%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	18,190,289	478,041
<b>Total Investment Companies (Cost \$15,551,716)</b>		<b>17,282,113</b>
<b>Temporary Cash Investments (1.3%)</b>		
<b>Money Market Fund (1.3%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.839% (Cost \$226,367)	2,264,338	226,411
<b>Total Investments (99.9%) (Cost \$15,778,083)</b>		<b>17,508,524</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>20,114</b>
<b>Net Assets (100%)</b>		<b>17,528,638</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

<sup>1</sup> Affiliated fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown for Vanguard Market Liquidity Fund is the 7-day yield.

#### Derivative Financial Instruments Outstanding as of Period End

##### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2023	1,009	115,956	3,120
E-mini S&P 500 Index	June 2023	557	115,237	6,757
				<b>9,877</b>

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

# Statement of Assets and Liabilities

As of March 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$15,778,083)	17,508,524
Cash	250
Cash Collateral Pledged—Futures Contracts	8,515
Receivables for Investment Securities Sold	7,000
Receivables for Accrued Income	4,375
Receivables for Capital Shares Issued	63,654
Variation Margin Receivable—Futures Contracts	1,955
<b>Total Assets</b>	<b>17,594,273</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	47,603
Payables for Capital Shares Redeemed	18,032
<b>Total Liabilities</b>	<b>65,635</b>
<b>Net Assets</b>	<b>17,528,638</b>

At March 31, 2023, net assets consisted of:

Paid-in Capital	15,621,998
Total Distributable Earnings (Loss)	1,906,640
<b>Net Assets</b>	<b>17,528,638</b>

<b>Net Assets</b>	
Applicable to 423,265,369 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	17,528,638
<b>Net Asset Value Per Share</b>	<b>\$41.41</b>

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

# Statement of Operations

Six Months Ended  
March 31, 2023

(\$000)

## Investment Income

### Income

Income Distributions Received from Affiliated Funds	174,358
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### Net Investment Income—Note B

### Realized Net Gain (Loss)

Capital Gain Distributions Received from Affiliated Funds	1
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Affiliated Funds Sold<sup>1</sup>

136,031

Futures Contracts

(11,898)

### Realized Net Gain (Loss)

124,134

### Change in Unrealized Appreciation (Depreciation)

Affiliated Funds	1,984,175
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Futures Contracts

27,866

### Change in Unrealized Appreciation (Depreciation)

2,012,041

### Net Increase (Decrease) in Net Assets Resulting from Operations

2,310,533

1 Includes \$150,939,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	174,358	249,498
Realized Net Gain (Loss)	124,134	135,724
Change in Unrealized Appreciation (Depreciation)	2,012,041	(3,659,743)
Net Increase (Decrease) in Net Assets Resulting from Operations	2,310,533	(3,274,521)
<b>Distributions</b>		
Total Distributions	(313,854)	(376,437)
<b>Capital Share Transactions</b>		
Issued	2,809,002	4,239,542
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2060 Fund—Note G	—	7,948,750
Issued in Lieu of Cash Distributions	307,568	363,769
Redeemed	(1,264,167)	(1,879,595)
Net Increase (Decrease) from Capital Share Transactions	1,852,403	10,672,466
Total Increase (Decrease)	3,849,082	7,021,508
<b>Net Assets</b>		
Beginning of Period	13,679,556	6,658,048
End of Period	<b>17,528,638</b>	<b>13,679,556</b>

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31, 2023		Year Ended September 30,			
	2022	2021	2020	2019	2018	
<b>Net Asset Value, Beginning of Period</b>	<b>\$36.30</b>	<b>\$48.04</b>	<b>\$38.95</b>	<b>\$36.07</b>	<b>\$36.16</b>	<b>\$33.51</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.442	.903	.773	.762	.822	.768
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.009	.029	—	—	—
Net Realized and Unrealized Gain (Loss) on Investments	5.481	(9.930)	9.085	2.922	(.192)	2.495
Total from Investment Operations	5.923	(9.018)	9.887	3.684	.630	3.263
<b>Distributions</b>						
Dividends from Net Investment Income	(.813)	(.936)	(.684)	(.804)	(.717)	(.613)
Distributions from Realized Capital Gains	—	(1.786)	(1.113)	—	(.003)	—
Total Distributions	(.813)	(2.722)	(.797)	(.804)	(.720)	(.613)
<b>Net Asset Value, End of Period</b>	<b>\$41.41</b>	<b>\$36.30</b>	<b>\$48.04</b>	<b>\$38.95</b>	<b>\$36.07</b>	<b>\$36.16</b>
<b>Total Return<sup>3</sup></b>	<b>16.49%</b>	<b>-20.16%</b>	<b>25.60%</b>	<b>10.25%</b>	<b>2.07%</b>	<b>9.81%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$17,529	\$13,680	\$6,658	\$6,027	\$4,359	\$3,240
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.23%	2.10%	1.69%	2.09%	2.37%	2.19%
Portfolio Turnover Rate	1% <sup>5</sup>	3% <sup>5</sup>	8%	6%	2%	3%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2060 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis. See Note G.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2060 Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund follows a balanced investment strategy by investing in selected Vanguard funds to achieve its targeted allocation of assets to U.S. and international stocks, and U.S. and international bonds. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, 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 fund's investments and fund performance.

**A.** The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

**1. Security Valuation:** Investments are valued at the net asset value of each underlying Vanguard fund determined as of the close of the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

**2. Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

**3. Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and borne by the funds in which the fund invests (see Note B). Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. Other: Income and capital gain distributions received are recorded on the ex-dividend date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. The FSA provides that expenses otherwise allocable to Vanguard funds-of-funds may be reduced or eliminated to the extent of savings realized by the underlying Vanguard funds by virtue of being part of a fund-of-funds. Accordingly, all expenses for services provided by Vanguard to the fund and all other expenses incurred by the fund during the six months ended March 31, 2023, were borne by the underlying Vanguard funds in which the fund invests. The fund's trustees and officers are also trustees and officers, respectively, of the underlying Vanguard funds, as well as directors and employees, respectively, of Vanguard.

C. The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2023, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	15,797,363
Gross Unrealized Appreciation	2,262,364
Gross Unrealized Depreciation	(541,326)
Net Unrealized Appreciation (Depreciation)	1,721,038

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	Shares (000)	Shares (000)
Issued	70,356	98,649
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2060 Fund—Note G	—	175,083
Issued in Lieu of Cash Distributions	8,008	7,561
Redeemed	(31,904)	(43,088)
Net Increase (Decrease) in Shares Outstanding	46,460	238,205

G. On February 11, 2022, the Vanguard Target Retirement 2060 Fund acquired all the net assets of Vanguard Institutional Target Retirement 2060 Fund (the “Acquired Fund”) pursuant to a plan of reorganization approved by the funds’ board of trustees in September 2021. The acquisition was accomplished by a tax-free exchange of 175,083,000 shares of Vanguard Target Retirement 2060 Fund for the 246,473,000 shares of the Acquired Fund outstanding on February 11, 2022. The Acquired Fund’s net assets of \$7,948,750,000, including \$1,257,329,000 of unrealized appreciation, were combined with Vanguard Target Retirement 2060 Fund’s net assets of \$6,986,111,000, resulting in combined net assets of \$14,934,861,000 on February 11, 2022.

H. Transactions during the period in affiliated underlying Vanguard funds were as follows:

	Current Period Transactions							
	Sep. 30, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2023 Market Value (\$000)
Vanguard Market Liquidity Fund	180,773	NA <sup>2</sup>	NA <sup>2</sup>	3	36	4,150	1	226,411
Vanguard Total Bond Market II Index Fund	951,772	242,695	72,917	(2,470)	38,053	14,516	—	1,157,133
Vanguard Total International Bond II Index Fund	434,124	52,359	20,917	(1,295)	13,770	3,084	—	478,041
Vanguard Total International Stock Index Fund	4,891,871	588,401	219,998	11,841	1,019,604	78,440	—	6,291,719
Vanguard Total Stock Market Index Fund	7,207,187	1,339,866	232,497	127,952	912,712	74,168	—	9,355,220
Total	13,665,727	2,223,321	546,329	136,031	1,984,175	174,358	1	17,508,524

1 Includes \$430,550,000 of portfolio securities delivered as a result of in-kind redemptions of the fund’s capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2023, that would require recognition or disclosure in these financial statements.

# Target Retirement 2065 Fund

## Underlying Vanguard Funds

As of March 31, 2023

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.2%
Vanguard Total International Stock Index Fund Investor Shares	36.4
Vanguard Total Bond Market II Index Fund Investor Shares	6.5
Vanguard Total International Bond II Index Fund Institutional Shares	2.9

The table reflects the fund's investments, except for short-term investments and derivatives.

## Financial Statements (unaudited)

### Schedule of Investments

As of March 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (98.5%)</b>		
<b>U.S. Stock Fund (53.4%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	12,348,150	2,301,572
<b>International Stock Fund (35.9%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	87,295,669	1,547,751
<b>U.S. Bond Fund (6.4%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	28,873,380	277,184
<b>International Bond Fund (2.8%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	4,622,941	121,491
<b>Total Investment Companies (Cost \$4,119,103)</b>		<b>4,247,998</b>
<b>Temporary Cash Investments (1.4%)</b>		
<b>Money Market Fund (1.4%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.839% (Cost \$61,806)	618,208	61,815
<b>Total Investments (99.9%) (Cost \$4,180,909)</b>		<b>4,309,813</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>2,833</b>
<b>Net Assets (100%)</b>		<b>4,312,646</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

<sup>1</sup> Affiliated fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown for Vanguard Market Liquidity Fund is the 7-day yield.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2023	279	32,063	842
E-mini S&P 500 Index	June 2023	136	28,137	1,583
				<b>2,425</b>

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

# Statement of Assets and Liabilities

As of March 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$4,180,909)	4,309,813
Cash Collateral Pledged—Futures Contracts	2,160
Receivables for Accrued Income	1,047
Receivables for Capital Shares Issued	18,796
Variation Margin Receivable—Futures Contracts	489
<b>Total Assets</b>	<b>4,332,305</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	16,999
Payables for Capital Shares Redeemed	2,660
<b>Total Liabilities</b>	<b>19,659</b>
<b>Net Assets</b>	<b>4,312,646</b>

At March 31, 2023, net assets consisted of:

Paid-in Capital	4,165,902
Total Distributable Earnings (Loss)	146,744
<b>Net Assets</b>	<b>4,312,646</b>

<b>Net Assets</b>	
Applicable to 158,969,860 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,312,646
<b>Net Asset Value Per Share</b>	<b>\$27.13</b>

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

# Statement of Operations

Six Months Ended  
March 31, 2023

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	41,218
<b>Net Investment Income—Note B</b>	<b>41,218</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold <sup>1</sup>	13,580
Futures Contracts	(3,556)
<b>Realized Net Gain (Loss)</b>	<b>10,024</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	485,491
Futures Contracts	6,506
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>491,997</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>543,239</b>

1 Includes \$19,711,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	41,218	55,399
Realized Net Gain (Loss)	10,024	17,341
Change in Unrealized Appreciation (Depreciation)	491,997	(799,170)
Net Increase (Decrease) in Net Assets Resulting from Operations	543,239	(726,430)
<b>Distributions</b>		
Total Distributions	(70,815)	(30,464)
<b>Capital Share Transactions</b>		
Issued	1,004,686	1,578,131
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2065 Fund—Note G	—	1,399,373
Issued in Lieu of Cash Distributions	68,514	28,723
Redeemed	(366,058)	(546,565)
Net Increase (Decrease) from Capital Share Transactions	707,142	2,459,662
Total Increase (Decrease)	1,179,566	1,702,768
<b>Net Assets</b>		
Beginning of Period	3,133,080	1,430,312
End of Period	<b>4,312,646</b>	<b>3,133,080</b>

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31, 2023		Year Ended September 30,			
	2022	2021	2020	2019	2018	
<b>Net Asset Value, Beginning of Period</b>	<b>\$23.76</b>	<b>\$30.31</b>	<b>\$24.52</b>	<b>\$22.69</b>	<b>\$22.64</b>	<b>\$20.79</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.289	.594	.500	.485	.529	.524
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.005	.017	—	—	—
Net Realized and Unrealized Gain (Loss) on Investments	3.591	(6.543)	5.712	1.802	(.116)	1.496
Total from Investment Operations	3.880	(5.944)	6.229	2.287	.413	2.020
<b>Distributions</b>						
Dividends from Net Investment Income	(.510)	(.535)	(.400)	(.457)	(.363)	(.170)
Distributions from Realized Capital Gains	—	(.071)	(.039)	—	.000 <sup>2</sup>	—
Total Distributions	(.510)	(.606)	(.439)	(.457)	(.363)	(.170)
<b>Net Asset Value, End of Period</b>	<b>\$27.13</b>	<b>\$23.76</b>	<b>\$30.31</b>	<b>\$24.52</b>	<b>\$22.69</b>	<b>\$22.64</b>
<b>Total Return<sup>3</sup></b>	<b>16.50%</b>	<b>-20.10%</b>	<b>25.59%</b>	<b>10.11%</b>	<b>2.09%</b>	<b>9.75%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$4,313	\$3,133	\$1,430	\$864	\$420	\$202
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.22%	2.13%	1.72%	2.11%	2.42%	2.37%
Portfolio Turnover Rate	1% <sup>5</sup>	2% <sup>5</sup>	5%	6%	2%	1%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2065 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis. See Note G.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2065 Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund follows a balanced investment strategy by investing in selected Vanguard funds to achieve its targeted allocation of assets to U.S. and international stocks, and U.S. and international bonds. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, 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 fund's investments and fund performance.

**A.** The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

**1. Security Valuation:** Investments are valued at the net asset value of each underlying Vanguard fund determined as of the close of the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

**2. Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

**3. Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and borne by the funds in which the fund invests (see Note B). Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. Other: Income and capital gain distributions received are recorded on the ex-dividend date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. The FSA provides that expenses otherwise allocable to Vanguard funds-of-funds may be reduced or eliminated to the extent of savings realized by the underlying Vanguard funds by virtue of being part of a fund-of-funds. Accordingly, all expenses for services provided by Vanguard to the fund and all other expenses incurred by the fund during the six months ended March 31, 2023, were borne by the underlying Vanguard funds in which the fund invests. The fund's trustees and officers are also trustees and officers, respectively, of the underlying Vanguard funds, as well as directors and employees, respectively, of Vanguard.

C. The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2023, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	4,190,764
Gross Unrealized Appreciation	302,113
Gross Unrealized Depreciation	(180,639)
Net Unrealized Appreciation (Depreciation)	121,474

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2023	Year Ended September 30, 2022
	Shares (000)	Shares (000)
Issued	38,407	56,194
Issued in Connection with Acquisition of Vanguard Institutional Target Retirement 2065 Fund—Note G	—	47,117
Issued in Lieu of Cash Distributions	2,723	913
Redeemed	(14,032)	(19,535)
Net Increase (Decrease) in Shares Outstanding	27,098	84,689

G. On February 11, 2022, the Vanguard Target Retirement 2065 Fund acquired all the net assets of Vanguard Institutional Target Retirement 2065 Fund (the “Acquired Fund”) pursuant to a plan of reorganization approved by the funds’ board of trustees in September 2021. The acquisition was accomplished by a tax-free exchange of 47,117,000 shares of Vanguard Target Retirement 2065 Fund for the 47,101,000 shares of the Acquired Fund outstanding on February 11, 2022. The Acquired Fund’s net assets of \$1,399,373,000, including \$146,955,000 of unrealized appreciation, were combined with Vanguard Target Retirement 2065 Fund’s net assets of \$1,667,328,000, resulting in combined net assets of \$3,066,701,000 on February 11, 2022.

H. Transactions during the period in affiliated underlying Vanguard funds were as follows:

	Current Period Transactions							
	Sep. 30, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (\$Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2023 Market Value (\$000)
Vanguard Market Liquidity Fund	40,909	NA <sup>2</sup>	NA <sup>2</sup>	4	5	898	—	61,815
Vanguard Total Bond Market II Index Fund	216,733	65,310	13,187	(371)	8,699	3,347	—	277,184
Vanguard Total International Bond II Index Fund	99,330	23,878	4,785	(274)	3,342	776	—	121,491
Vanguard Total International Stock Index Fund	1,120,260	225,431	39,424	2,048	239,436	18,349	—	1,547,751
Vanguard Total Stock Market Index Fund	1,652,773	466,328	63,711	12,173	234,009	17,848	—	2,301,572
Total	3,130,005	780,947	121,107	13,580	485,491	41,218	—	4,309,813

1 Includes \$81,610,000 of portfolio securities delivered as a result of in-kind redemptions of the fund’s capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2023, that would require recognition or disclosure in these financial statements.

# Target Retirement 2070 Fund

## Underlying Vanguard Funds

As of March 31, 2023

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	35.9
Vanguard Total Bond Market II Index Fund Investor Shares	7.0
Vanguard Total International Bond II Index Fund Institutional Shares	3.0

The table reflects the fund's investments, except for short-term investments.

## Financial Statements (unaudited)

### Schedule of Investments

As of March 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.5%)</b>		
<b>U.S. Stock Fund (53.8%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	399,890	74,535
<b>International Stock Fund (35.7%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	2,792,867	49,518
<b>U.S. Bond Fund (7.0%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	1,005,689	9,655
<b>International Bond Fund (3.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	157,042	4,126
<b>Total Investment Companies (Cost \$132,461)</b>		<b>137,834</b>
<b>Temporary Cash Investments (0.2%)</b>		
<b>Money Market Fund (0.2%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.839% (Cost \$243)	2,433	243
<b>Total Investments (99.7%) (Cost \$132,704)</b>		<b>138,077</b>
<b>Other Assets and Liabilities—Net (0.3%)</b>		<b>431</b>
<b>Net Assets (100%)</b>		<b>138,508</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

<sup>1</sup> Affiliated fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown for Vanguard Market Liquidity Fund is the 7-day yield.

# Statement of Assets and Liabilities

As of March 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$132,704)	138,077
Receivables for Accrued Income	28
Receivables for Capital Shares Issued	1,574
<b>Total Assets</b>	<b>139,679</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	1,149
Payables for Capital Shares Redeemed	22
<b>Total Liabilities</b>	<b>1,171</b>
<b>Net Assets</b>	<b>138,508</b>

At March 31, 2023, net assets consisted of:

Paid-in Capital	133,514
Total Distributable Earnings (Loss)	4,994
<b>Net Assets</b>	<b>138,508</b>

<b>Net Assets</b>	
Applicable to 6,487,401 outstanding \$0.001 par value shares of beneficial interest (unlimited authorization)	138,508
<b>Net Asset Value Per Share</b>	<b>\$21.35</b>

# Statement of Operations

Six Months Ended  
March 31, 2023

(\$000)

## Investment Income

### Income

Income Distributions Received from Affiliated Funds	903
<b>Net Investment Income—Note B</b>	<b>903</b>
<b>Realized Net Gain (Loss)</b>	
Affiliated Funds Sold	(33)
Futures Contracts	14
<b>Realized Net Gain (Loss)</b>	<b>(19)</b>
Change in Unrealized Appreciation (Depreciation) from Affiliated Funds	8,284
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>9,168</b>

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

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2023	June 28, 2022 <sup>1</sup> to September 30, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	903	134
Realized Net Gain (Loss)	(19)	(771)
Change in Unrealized Appreciation (Depreciation)	8,284	(2,911)
Net Increase (Decrease) in Net Assets Resulting from Operations	9,168	(3,548)
<b>Distributions</b>		
Total Distributions	(626)	—
<b>Capital Share Transactions</b>		
Issued	111,530	50,855
Issued in Lieu of Cash Distributions	608	—
Redeemed	(14,075)	(15,404)
Net Increase (Decrease) from Capital Share Transactions	98,063	35,451
Total Increase (Decrease)	106,605	31,903
<b>Net Assets</b>		
Beginning of Period	31,903	—
<b>End of Period</b>	<b>138,508</b>	<b>31,903</b>

1 Inception.

## Financial Highlights

	Six Months Ended March 31, 2023	June 28, 2022 <sup>1</sup> to September 30, 2022
For a Share Outstanding Throughout Each Period		
<b>Net Asset Value, Beginning of Period</b>	<b>\$18.50</b>	<b>\$20.00</b>
<b>Investment Operations</b>		
Net Investment Income <sup>2</sup>	.241	.113
Capital Gain Distributions Received <sup>2</sup>	—	—
Net Realized and Unrealized Gain (Loss) on Investments	2.791	(1.613)
Total from Investment Operations	3.032	(1.500)
<b>Distributions</b>		
Dividends from Net Investment Income	(.182)	—
Distributions from Realized Capital Gains	—	—
Total Distributions	(.182)	—
<b>Net Asset Value, End of Period</b>	<b>\$21.35</b>	<b>\$18.50</b>
<b>Total Return<sup>3</sup></b>	<b>16.47%</b>	<b>-7.50%</b>
<b>Ratios/Supplemental Data</b>		
Net Assets, End of Period (Millions)	\$139	\$32
Ratio of Total Expenses to Average Net Assets	—	—
Acquired Fund Fees and Expenses	0.08%	0.08% <sup>4</sup>
Ratio of Net Investment Income to Average Net Assets	2.34%	2.15% <sup>4</sup>
Portfolio Turnover Rate	1 %	44 %

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Inception.

2 Calculated based on average shares outstanding.

3 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

4 Annualized.

## Notes to Financial Statements

Vanguard Target Retirement 2070 Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund follows a balanced investment strategy by investing in selected Vanguard funds to achieve its targeted allocation of assets to U.S. and international stocks, and U.S. and international bonds. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, 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 fund's investments and fund performance.

**A.** The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

**1. Security Valuation:** Investments are valued at the net asset value of each underlying Vanguard fund determined as of the close of the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date.

**2. Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2023, the fund's average investments in long and short futures contracts represented less than 1% of net assets, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at March 31, 2023.

**3. Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations,

which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and borne by the funds in which the fund invests (see Note B). Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. Other: Income and capital gain distributions received are recorded on the ex-dividend date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. The FSA provides that expenses otherwise allocable to Vanguard funds-of-funds may be reduced or eliminated to the extent of savings realized by the underlying Vanguard funds by virtue of being part of a fund-of-funds. Accordingly, all expenses for services provided by Vanguard to the fund and all other expenses incurred by the fund during the six months ended March 31, 2023, were borne by the underlying Vanguard funds in which the

fund invests. The fund's trustees and officers are also trustees and officers, respectively, of the underlying Vanguard funds, as well as directors and employees, respectively, of Vanguard.

**C.** Various inputs may be used to determine the value of the fund'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 fund's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2023, 100% of the market value of the fund's investments was determined based on Level 1 inputs.

**D.** As of March 31, 2023, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	133,510
Gross Unrealized Appreciation	5,352
Gross Unrealized Depreciation	(785)
Net Unrealized Appreciation (Depreciation)	4,567

**E.** Capital shares issued and redeemed were:

	Six Months Ended March 31, 2023	June 28, 2022 <sup>1</sup> to September 30, 2022
	Shares (000)	Shares (000)
Issued	5,416	2,487
Issued in Lieu of Cash Distributions	31	—
Redeemed	(685)	(762)
Net Increase (Decrease) in Shares Outstanding	4,762	1,725

<sup>1</sup> Inception.

F. Transactions during the period in affiliated underlying Vanguard funds were as follows:

	Current Period Transactions							
	Sep. 30, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (\$000)	Unrealized Change in App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2023 Market Value (\$000)
				(Loss)	(\$000)	(\$000)	(\$000)	
Vanguard Market Liquidity Fund	—	NA <sup>1</sup>	NA <sup>1</sup>	—	—	3	—	243
Vanguard Total Bond Market II Index Fund	2,243	7,348	123	(6)	193	76	—	9,655
Vanguard Total International Bond II Index Fund	960	3,120	19	(1)	66	18	—	4,126
Vanguard Total International Stock Index Fund	11,507	34,415	134	(12)	3,742	363	—	49,518
Vanguard Total Stock Market Index Fund	17,193	53,326	253	(14)	4,283	443	—	74,535
Total	31,903	98,209	529	(33)	8,284	903	—	138,077

1 Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no events or transactions occurred subsequent to March 31, 2023, that would require recognition or disclosure in these financial statements.

# Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Target Retirement Funds has renewed each fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing each fund's internalized management structure was in the best interests of the funds and their shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received periodic reports throughout the year, which included information about each fund's performance relative to its peers and benchmark, as applicable, and updates, as needed, on the Portfolio Review Department's ongoing assessment of the advisor.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. Rather, it was the totality of the circumstances that drove the board's decisions.

## Nature, extent, and quality of services

The board reviewed the quality of the funds' investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangements.

## Investment performance

The board considered the performance of each fund, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangements should continue.

## Cost

The board concluded that each fund's acquired fund fees and expenses were below the average expense ratios charged by funds in its respective peer group. The funds do not incur advisory expenses directly; however, the board noted that each of the underlying funds in which the funds invest has advisory expenses below the relevant peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

### **The benefit of economies of scale**

The board concluded that Vanguard's arrangements with the Target Retirement Funds and their underlying funds ensure that the funds will realize economies of scale as they grow, with the cost to shareholders declining as assets increase.

The board will consider whether to renew the advisory arrangements again after a one-year period.

## Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund’s liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors’ interests in the fund.

Assessment and management of a fund’s liquidity risk under the Program take into consideration certain factors, such as the fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Chester Funds approved the appointment of liquidity risk management program administrators responsible for administering the Program for Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2050 Fund, Vanguard Target Retirement 2055 Fund, Vanguard Target Retirement 2060 Fund, Vanguard Target Retirement 2065 Fund, and Vanguard Target Retirement 2070 Fund, and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2022, through December 31, 2022 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the funds’ liquidity risk.

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