

**Annual Report** | September 30, 2020

## Vanguard Target Retirement Funds

Vanguard Target Retirement 2040 Fund

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

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

## Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund’s annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to [vanguard.com](https://www.vanguard.com).

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to [vanguard.com](https://www.vanguard.com). Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

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Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus.

## Your Fund's Performance at a Glance

- For the 12 months ended September 30, 2020, returns for the six Vanguard Target Retirement Funds covered in this report ranged from 9.96% for the Target Retirement 2040 Fund to 10.27% for the Target Retirement 2045 Fund. (The funds with target dates of 2015 through 2035, as well as the Target Retirement Income Fund, are covered in a separate report.) Each fund performed in line with its composite benchmark after expenses.
- The rebound in global stocks that began in March continued in the third quarter. Massive fiscal and monetary support from governments and central banks, signs of economic healing, and reported progress toward a COVID-19 vaccine all buoyed the markets until September, when investor sentiment soured a little.
- In the global bond market, the pandemic led to a wave of issuance, which drove up supply, but demand held up fairly well. U.S. Treasury yields ended the quarter little changed.
- Vanguard Target Retirement Funds are designed to reach an allocation of 70% bonds and 30% stocks within seven years after their target dates. The funds invest all of their assets in Vanguard index funds that seek to match the performance of broad stock and bond market indexes.
- For the 10 years ended September 30—or since inception for the two newest funds—the funds' average annual returns ranged from 8.03% for the Target Retirement 2065 Fund to 9.78% for the Target Retirement 2060 Fund.

### Market Barometer

	Average Annual Total Returns Periods Ended September 30, 2020		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	16.01%	12.38%	14.09%
Russell 2000 Index (Small-caps)	0.39	1.77	8.00
Russell 3000 Index (Broad U.S. market)	15.00	11.65	13.69
FTSE All-World ex US Index (International)	3.55	1.50	6.49
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	6.98%	5.24%	4.18%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	4.09	4.28	3.84
FTSE Three-Month U.S. Treasury Bill Index	1.02	1.65	1.15
<b>CPI</b>			
Consumer Price Index	1.37%	1.79%	1.81%

## 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 typical 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 cost (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 and do not reflect transaction costs incurred by the fund for buying and selling securities. 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, including annual expense ratios, 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 September 30, 2020

	Beginning Account Value 3/31/2020	Ending Account Value 9/30/2020	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Target Retirement 2040 Fund	\$1,000.00	\$1,252.58	\$0.79
Target Retirement 2045 Fund	\$1,000.00	\$1,274.38	\$0.85
Target Retirement 2050 Fund	\$1,000.00	\$1,273.93	\$0.85
Target Retirement 2055 Fund	\$1,000.00	\$1,273.99	\$0.85
Target Retirement 2060 Fund	\$1,000.00	\$1,273.71	\$0.85
Target Retirement 2065 Fund	\$1,000.00	\$1,273.10	\$0.85
<b>Based on Hypothetical 5% Yearly Return</b>			
Target Retirement 2040 Fund	\$1,000.00	\$1,024.30	\$0.71
Target Retirement 2045 Fund	\$1,000.00	\$1,024.25	\$0.76
Target Retirement 2050 Fund	\$1,000.00	\$1,024.25	\$0.76
Target Retirement 2055 Fund	\$1,000.00	\$1,024.25	\$0.76
Target Retirement 2060 Fund	\$1,000.00	\$1,024.25	\$0.76
Target Retirement 2065 Fund	\$1,000.00	\$1,024.25	\$0.76

The calculations are based on the acquired fund fees and expenses for the most recent six-month period. The funds' annualized expense figures for the period are (in order as listed from top to bottom above) 0.14%, 0.15%, 0.15%, 0.15%, 0.15%, and 0.15%. 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 (183/366).

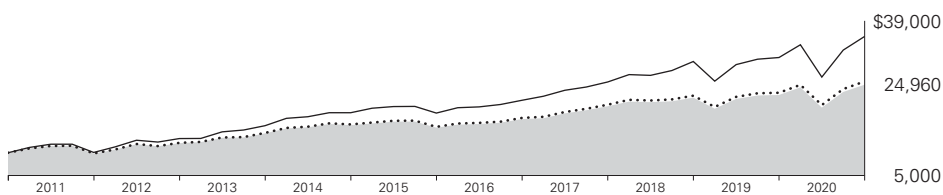
# Target Retirement 2040 Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: September 30, 2010, Through September 30, 2020

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended September 30, 2020

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Target Retirement 2040 Fund	9.96%	9.97%	9.58%	\$24,960
Target 2040 Composite Index	10.73	10.35	9.89	25,676
MSCI US Broad Market Index	14.99	13.70	13.53	35,575

Target 2040 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged beginning June 3, 2013; and for U.S. stocks, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

See Financial Highlights for dividend and capital gains information.

## Underlying Vanguard Funds

As of September 30, 2020

Vanguard Total Stock Market Index Fund Investor Shares	49.7%
Vanguard Total International Stock Index Fund Investor Shares	32.8
Vanguard Total Bond Market II Index Fund Investor Shares	12.2
Vanguard Total International Bond Index Fund Investor Shares	5.3

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

# Financial Statements

## Schedule of Investments

As of September 30, 2020

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 (99.2%)</b>		
<b>U.S. Stock Fund (49.3%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	192,668,270	15,976,053
<b>International Stock Fund (32.6%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	629,546,358	10,551,197
<b>U.S. Bond Fund (12.1%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	341,014,544	3,935,308
<b>International Bond Fund (5.2%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	145,881,364	1,696,600
<b>Total Investment Companies (Cost \$21,749,963)</b>		<b>32,159,158</b>
<b>Temporary Cash Investment (0.8%)</b>		
<b>Money Market Fund (0.8%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.117% (Cost \$247,054)	2,470,687	247,069
<b>Total Investments (100.0%) (Cost \$21,997,017)</b>		<b>32,406,227</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(1,845)</b>
<b>Net Assets (100%)</b>		<b>32,404,382</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.



Target Retirement 2040 Fund

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Derivative Financial Instruments Outstanding as of Period End

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Futures Contracts

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			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<hr/> Long Futures Contracts <hr/>				
E-mini S&P 500 Index	December 2020	346	57,990	693
10-Year U.S. Treasury Note	December 2020	1,403	195,762	153
				<hr/> 846 <hr/>

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

# Statement of Assets and Liabilities

As of September 30, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$21,997,017)	32,406,227
Cash Collateral Pledged—Futures Contracts	3,840
Receivables for Investment Securities Sold	33,252
Receivables for Accrued Income	7,751
Receivables for Capital Shares Issued	38,600
Variation Margin Receivable—Futures Contracts	317
<b>Total Assets</b>	<b>32,489,987</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	7,751
Payables for Capital Shares Redeemed	77,503
Variation Margin Payable—Futures Contracts	351
<b>Total Liabilities</b>	<b>85,605</b>
<b>Net Assets</b>	<b>32,404,382</b>

At September 30, 2020, net assets consisted of:

Paid-in Capital	21,595,553
Total Distributable Earnings (Loss)	10,808,829
<b>Net Assets</b>	<b>32,404,382</b>

**Net Assets**

Applicable to 808,705,137 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	32,404,382
<b>Net Asset Value Per Share</b>	<b>\$40.07</b>

# Statement of Operations

Year Ended  
September 30, 2020  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	641,731
Other Income	23
<b>Net Investment Income—Note B</b>	<b>641,754</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	41,012
Futures Contracts	9,242
<b>Realized Net Gain (Loss)</b>	<b>50,254</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	2,177,215
Futures Contracts	846
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>2,178,061</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>2,870,069</b>

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

## Statement of Changes in Net Assets

	Year Ended September 30,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	641,754	634,780
Realized Net Gain (Loss)	50,254	(8,193)
Change in Unrealized Appreciation (Depreciation)	2,178,061	137,697
Net Increase (Decrease) in Net Assets Resulting from Operations	2,870,069	764,284
<b>Distributions<sup>1</sup></b>		
Total Distributions	(701,833)	(599,639)
<b>Capital Share Transactions</b>		
Issued	6,050,667	5,852,726
Issued in Lieu of Cash Distributions	690,099	590,157
Redeemed	(5,547,404)	(4,010,068)
Net Increase (Decrease) from Capital Share Transactions	1,193,362	2,432,815
Total Increase (Decrease)	3,361,598	2,597,460
<b>Net Assets</b>		
Beginning of Period	29,042,784	26,445,324
End of Period	32,404,382	29,042,784

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$37.27</b>	<b>\$37.26</b>	<b>\$34.73</b>	<b>\$30.59</b>	<b>\$28.09</b>
<b>Investment Operations</b>					
Net Investment Income	.799 <sup>1</sup>	.850 <sup>1</sup>	.786 <sup>1</sup>	.718 <sup>1</sup>	.660
Capital Gain Distributions Received	—	—	.001 <sup>1</sup>	.003 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	2.892	(.005)	2.441	4.143	2.687
<b>Total from Investment Operations</b>	<b>3.691</b>	<b>.845</b>	<b>3.228</b>	<b>4.864</b>	<b>3.350</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.891)	(.779)	(.684)	(.599)	(.615)
Distributions from Realized Capital Gains	—	(.056)	(.014)	(.125)	(.235)
Total Distributions	(.891)	(.835)	(.698)	(.724)	(.850)
<b>Net Asset Value, End of Period</b>	<b>\$40.07</b>	<b>\$37.27</b>	<b>\$37.26</b>	<b>\$34.73</b>	<b>\$30.59</b>
<b>Total Return<sup>2</sup></b>	<b>9.96%</b>	<b>2.63%</b>	<b>9.37%</b>	<b>16.26%</b>	<b>12.11%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$32,404	\$29,043	\$26,445	\$22,324	\$17,371
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.14%	0.14%	0.14%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	2.12%	2.38%	2.17%	2.23%	2.23%
Portfolio Turnover Rate	13%	5%	8%	8%	16%

1 Calculated based on average shares outstanding.

2 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.

## Notes to Financial Statements

Vanguard Target Retirement 2040 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. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus 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 year ended September 30, 2020, the fund's average investments in long and short futures contracts represented less than 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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 year ended September 30, 2020, 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 period ended September 30, 2020, 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 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 September 30, 2020, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	15,337
Total Distributable Earnings (Loss)	(15,337)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	394,263
Undistributed Long-Term Gains	5,356
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	10,409,210



## Target Retirement 2040 Fund

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	701,833	599,053
Long-Term Capital Gains	—	586
Total	701,833	599,639

\* Includes short-term capital gains, if any.

As of September 30, 2020, 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	21,997,017
Gross Unrealized Appreciation	10,486,330
Gross Unrealized Depreciation	(77,120)
Net Unrealized Appreciation (Depreciation)	10,409,210

E. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2020 Shares (000)	2019 Shares (000)
Issued	161,302	164,515
Issued in Lieu of Cash Distributions	17,596	18,379
Redeemed	(149,436)	(113,431)
Net Increase (Decrease) in Shares Outstanding	29,462	69,463

Target Retirement 2040 Fund

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

	Sept. 30, 2019 Market Value (\$000)	Current Period Transactions						Sept. 30, 2020 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	9,867	NA <sup>1</sup>	NA <sup>1</sup>	(52)	15	375	—	247,069
Vanguard Total Bond Market ETF <sup>2</sup>	—	5,244	5,250	6	—	—	—	—
Vanguard Total Bond Market II Index Fund	3,396,422	1,753,980	1,365,950	31,293	119,563	84,643	—	3,935,308
Vanguard Total International Bond Index Fund	1,444,631	576,877	307,284	(2,040)	(15,584)	47,671	—	1,696,600
Vanguard Total International Stock Index Fund	9,672,231	1,179,889	505,954	(41,404)	246,435	249,510	—	10,551,197
Vanguard Total Stock Market Index Fund	14,559,106	1,254,357	1,717,405	53,209	1,826,786	259,532	—	15,976,053
<b>Total</b>	<b>29,082,257</b>	<b>4,770,347</b>	<b>3,901,843</b>	<b>41,012</b>	<b>2,117,215</b>	<b>641,731</b>	<b>—</b>	<b>32,406,227</b>

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

<sup>2</sup> The fund invested in ETF Shares during the period, but sold the positions before period end.

G. Management has determined that no events or transactions occurred subsequent to September 30, 2020, that would require recognition or disclosure in these financial statements.

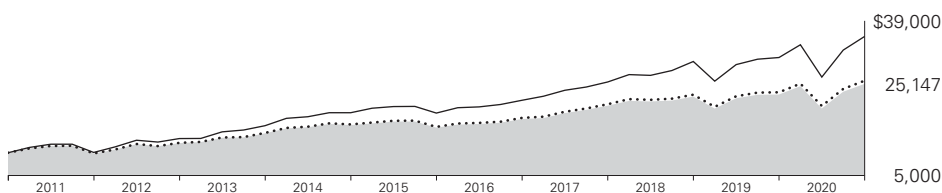
# Target Retirement 2045 Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: September 30, 2010, Through September 30, 2020

Initial Investment of \$10,000



### Average Annual Total Returns Periods Ended September 30, 2020

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Target Retirement 2045 Fund	10.27%	10.13%	9.66%	\$25,147
Target 2045 Composite Index	10.95	10.50	9.96	25,844
MSCI US Broad Market Index	14.99	13.70	13.53	35,575

Target 2045 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged beginning June 3, 2013; and for U.S. stocks, the Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

See Financial Highlights for dividend and capital gains information.

## Underlying Vanguard Funds

As of September 30, 2020

Vanguard Total Stock Market Index Fund Investor Shares	54.5%
Vanguard Total International Stock Index Fund Investor Shares	36.1
Vanguard Total Bond Market II Index Fund Investor Shares	6.3
Vanguard Total International Bond Index Fund Investor Shares	3.1

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

# Financial Statements

## Schedule of Investments

As of September 30, 2020

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 (98.7%)</b>		
<b>U.S. Stock Fund (53.8%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	195,890,890	16,243,273
<b>International Stock Fund (35.7%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	642,980,692	10,776,357
<b>U.S. Bond Fund (6.2%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	163,607,196	1,888,027
<b>International Bond Fund (3.0%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	79,153,765	920,558
<b>Total Investment Companies (Cost \$19,900,819)</b>		<b>29,828,215</b>
<b>Temporary Cash Investment (1.3%)</b>		
<b>Money Market Fund (1.3%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.117% (Cost \$381,062)	3,810,762	381,076
<b>Total Investments (100.0%) (Cost \$20,281,881)</b>		<b>30,209,291</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(3,897)</b>
<b>Net Assets (100%)</b>		<b>30,205,394</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.

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


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## Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<hr/> Long Futures Contracts				
10-Year U.S. Treasury Note	December 2020	2,209	308,225	225
E-mini S&P 500 Index	December 2020	537	90,001	944
				<hr/> 1,169

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

# Statement of Assets and Liabilities

As of September 30, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$20,281,881)	30,209,291
Cash Collateral Pledged—Futures Contracts	5,970
Receivables for Investment Securities Sold	33,896
Receivables for Accrued Income	3,803
Receivables for Capital Shares Issued	26,993
Variation Margin Receivable—Futures Contracts	491
<b>Total Assets</b>	<b>30,280,444</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	3,803
Payables for Capital Shares Redeemed	70,716
Variation Margin Payable—Futures Contracts	531
<b>Total Liabilities</b>	<b>75,050</b>
<b>Net Assets</b>	<b>30,205,394</b>

At September 30, 2020, net assets consisted of:

Paid-in Capital	19,894,540
Total Distributable Earnings (Loss)	10,310,854
<b>Net Assets</b>	<b>30,205,394</b>

**Net Assets**

Applicable to 1,197,796,831 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	30,205,394
<b>Net Asset Value Per Share</b>	<b>\$25.22</b>

# Statement of Operations

Year Ended  
September 30, 2020  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	581,173
Other Income	14
<b>Net Investment Income—Note B</b>	<b>581,187</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	44,609
Futures Contracts	18,904
<b>Realized Net Gain (Loss)</b>	<b>63,513</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	2,122,328
Futures Contracts	1,169
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>2,123,497</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>2,768,197</b>

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



## Statement of Changes in Net Assets

	Year Ended September 30,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	581,187	575,372
Realized Net Gain (Loss)	63,513	(5,828)
Change in Unrealized Appreciation (Depreciation)	2,123,497	5,053
Net Increase (Decrease) in Net Assets Resulting from Operations	2,768,197	574,597
<b>Distributions<sup>1</sup></b>		
Total Distributions	(636,663)	(535,587)
<b>Capital Share Transactions</b>		
Issued	5,359,364	5,288,388
Issued in Lieu of Cash Distributions	626,488	527,209
Redeemed	(4,581,926)	(3,514,240)
Net Increase (Decrease) from Capital Share Transactions	1,403,926	2,301,357
Total Increase (Decrease)	3,535,460	2,340,367
<b>Net Assets</b>		
Beginning of Period	26,669,934	24,329,567
End of Period	30,205,394	26,669,934

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$23.38</b>	<b>\$23.49</b>	<b>\$21.80</b>	<b>\$19.12</b>	<b>\$17.60</b>
<b>Investment Operations</b>					
Net Investment Income	.492 <sup>1</sup>	.527 <sup>1</sup>	.492 <sup>1</sup>	.450 <sup>1</sup>	.411
Capital Gain Distributions Received	—	—	—	.001 <sup>1</sup>	.002
Net Realized and Unrealized Gain (Loss) on Investments	1.900	(.128)	1.636	2.696	1.692
<b>Total from Investment Operations</b>	<b>2.392</b>	<b>.399</b>	<b>2.128</b>	<b>3.147</b>	<b>2.105</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.552)	(.483)	(.428)	(.375)	(.386)
Distributions from Realized Capital Gains	—	(.026)	(.010)	(.092)	(.199)
Total Distributions	(.552)	(.509)	(.438)	(.467)	(.585)
<b>Net Asset Value, End of Period</b>	<b>\$25.22</b>	<b>\$23.38</b>	<b>\$23.49</b>	<b>\$21.80</b>	<b>\$19.12</b>
<b>Total Return<sup>2</sup></b>	<b>10.27%</b>	<b>2.06%</b>	<b>9.85%</b>	<b>16.84%</b>	<b>12.16%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$30,205	\$26,670	\$24,330	\$20,413	\$15,987
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.15%	0.15%	0.15%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	2.08%	2.35%	2.16%	2.23%	2.43%
Portfolio Turnover Rate	9%	4%	7%	8%	13%

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

<sup>2</sup> 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.

## 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. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus 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 year ended September 30, 2020, the fund's average investments in long and short futures contracts represented less than 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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 year ended September 30, 2020, 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 period ended September 30, 2020, 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 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 September 30, 2020, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	13,326
Total Distributable Earnings (Loss)	(13,326)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	370,023
Undistributed Long-Term Gains	13,421
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	9,927,410

Target Retirement 2045 Fund

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	636,663	535,205
Long-Term Capital Gains	—	382
Total	636,663	535,587

\* Includes short-term capital gains, if any.

As of September 30, 2020, 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	20,281,881
Gross Unrealized Appreciation	10,047,728
Gross Unrealized Depreciation	(120,318)
Net Unrealized Appreciation (Depreciation)	9,927,410

E. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2020 Shares (000)	2019 Shares (000)
Issued	228,288	236,957
Issued in Lieu of Cash Distributions	25,292	26,255
Redeemed	(196,369)	(158,490)
Net Increase (Decrease) in Shares Outstanding	57,211	104,722

Target Retirement 2045 Fund

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

	Current Period Transactions							Sept. 30, 2020 Market Value (\$000)
	Sept. 30, 2019 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	12,586	NA <sup>1</sup>	NA <sup>1</sup>	(73)	14	382	—	381,076
Vanguard Total Bond Market II Index Fund	1,907,023	810,618	905,311	21,314	54,383	44,416	—	1,888,027
Vanguard Total International Bond Index Fund	807,216	305,136	180,737	661	(11,718)	26,319	—	920,558
Vanguard Total International Stock Index Fund	9,583,046	1,327,354	335,357	(9,177)	210,491	250,734	—	10,776,357
Vanguard Total Stock Market Index Fund	14,386,873	1,001,767	1,046,409	31,884	1,869,158	259,322	—	16,243,273
<b>Total</b>	<b>26,696,744</b>	<b>3,444,875</b>	<b>2,467,814</b>	<b>44,609</b>	<b>2,122,328</b>	<b>581,173</b>	<b>—</b>	<b>30,209,291</b>

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no events or transactions occurred subsequent to September 30, 2020, that would require recognition or disclosure in these financial statements.

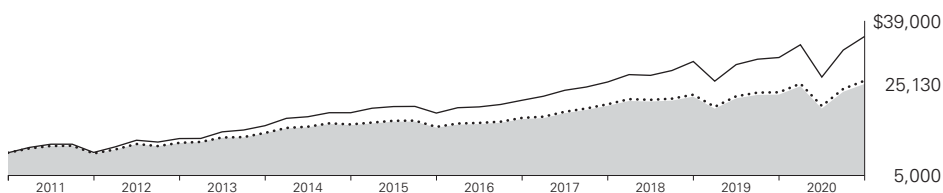
# Target Retirement 2050 Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: September 30, 2010, Through September 30, 2020

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended September 30, 2020

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Target Retirement 2050 Fund	10.26%	10.13%	9.65%	\$25,130
Target 2050 Composite Index	10.97	10.50	9.96	25,850
MSCI US Broad Market Index	14.99	13.70	13.53	35,575

Target 2050 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the Select Emerging Markets Index through August 23, 2006, the MSCI Emerging Markets Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009, and the Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged beginning June 3, 2013; and for U.S. stocks, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

See Financial Highlights for dividend and capital gains information.



## Underlying Vanguard Funds

As of September 30, 2020

Vanguard Total Stock Market Index Fund Investor Shares	54.5%
Vanguard Total International Stock Index Fund Investor Shares	36.3
Vanguard Total Bond Market II Index Fund Investor Shares	6.2
Vanguard Total International Bond Index Fund Investor Shares	3.0

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

# Financial Statements

## Schedule of Investments

As of September 30, 2020

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 (98.4%)</b>		
<b>U.S. Stock Fund (53.6%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	148,607,617	12,322,544
<b>International Stock Fund (35.8%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	490,254,504	8,216,665
<b>U.S. Bond Fund (6.1%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	121,144,737	1,398,010
<b>International Bond Fund (2.9%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	57,431,213	667,925
<b>Total Investment Companies (Cost \$16,449,177)</b>		<b>22,605,144</b>
<b>Temporary Cash Investment (1.6%)</b>		
<b>Money Market Fund (1.6%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.117% (Cost \$372,742)	3,727,649	372,765
<b>Total Investments (100.0%) (Cost \$16,821,919)</b>		<b>22,977,909</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>736</b>
<b>Net Assets (100%)</b>		<b>22,978,645</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.

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


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## Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<hr/> Long Futures Contracts <hr/>				
E-mini S&P 500 Index	December 2020	816	136,762	1,341
10-Year U.S. Treasury Note	December 2020	1,754	244,738	200
				<hr/> 1,541 <hr/>

# Statement of Assets and Liabilities

As of September 30, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$16,821,919)	22,977,909
Cash Collateral Pledged—Futures Contracts	9,400
Receivables for Investment Securities Sold	16,257
Receivables for Accrued Income	2,882
Receivables for Capital Shares Issued	24,861
Variation Margin Receivable—Futures Contracts	747
<b>Total Assets</b>	<b>23,032,056</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	2,882
Payables for Capital Shares Redeemed	50,090
Variation Margin Payable—Futures Contracts	439
<b>Total Liabilities</b>	<b>53,411</b>
<b>Net Assets</b>	<b>22,978,645</b>

At September 30, 2020, net assets consisted of:

Paid-in Capital	16,522,471
Total Distributable Earnings (Loss)	6,456,174
<b>Net Assets</b>	<b>22,978,645</b>

**Net Assets**

Applicable to 565,931,034 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	22,978,645
<b>Net Asset Value Per Share</b>	<b>\$40.60</b>

# Statement of Operations

Year Ended  
September 30, 2020  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	434,266
Other Income	12
<b>Net Investment Income—Note B</b>	<b>434,278</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	28,074
Futures Contracts	19,299
<b>Realized Net Gain (Loss)</b>	<b>47,373</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	1,627,047
Futures Contracts	1,541
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,628,588</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>2,110,239</b>

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

## Statement of Changes in Net Assets

	Year Ended September 30,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	434,278	410,082
Realized Net Gain (Loss)	47,373	(5,175)
Change in Unrealized Appreciation (Depreciation)	1,628,588	41,890
Net Increase (Decrease) in Net Assets Resulting from Operations	2,110,239	446,797
<b>Distributions<sup>1</sup></b>		
Total Distributions	(462,317)	(371,271)
<b>Capital Share Transactions</b>		
Issued	5,098,536	4,866,735
Issued in Lieu of Cash Distributions	453,580	364,259
Redeemed	(3,691,857)	(2,640,064)
Net Increase (Decrease) from Capital Share Transactions	1,860,259	2,590,930
Total Increase (Decrease)	3,508,181	2,666,456
<b>Net Assets</b>		
Beginning of Period	19,470,464	16,804,008
End of Period	22,978,645	19,470,464

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$37.63</b>	<b>\$37.80</b>	<b>\$35.07</b>	<b>\$30.63</b>	<b>\$27.95</b>
<b>Investment Operations</b>					
Net Investment Income	.793 <sup>1</sup>	.851 <sup>1</sup>	.794 <sup>1</sup>	.727 <sup>1</sup>	.636
Capital Gain Distributions Received	—	—	.001 <sup>1</sup>	.002 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	3.053	(.204)	2.629	4.332	2.714
<b>Total from Investment Operations</b>	<b>3.846</b>	<b>.647</b>	<b>3.424</b>	<b>5.061</b>	<b>3.353</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.876)	(.789)	(.684)	(.587)	(.585)
Distributions from Realized Capital Gains	—	(.028)	(.010)	(.034)	(.088)
Total Distributions	(.876)	(.817)	(.694)	(.621)	(.673)
<b>Net Asset Value, End of Period</b>	<b>\$40.60</b>	<b>\$37.63</b>	<b>\$37.80</b>	<b>\$35.07</b>	<b>\$30.63</b>
<b>Total Return<sup>2</sup></b>	<b>10.26%</b>	<b>2.07%</b>	<b>9.84%</b>	<b>16.84%</b>	<b>12.14%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$22,979	\$19,470	\$16,804	\$13,407	\$9,634
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.15%	0.15%	0.15%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	2.08%	2.36%	2.16%	2.24%	2.24%
Portfolio Turnover Rate	9%	3%	7%	6%	12%

1 Calculated based on average shares outstanding.

2 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.

## 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. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus 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 year ended September 30, 2020, the fund's average investments in long and short futures contracts represented less than 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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 year ended September 30, 2020, 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 period ended September 30, 2020, 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 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 September 30, 2020, 100% of the market value of the fund’s investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets, if any, are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share.

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	291,559
Undistributed Long-Term Gains	8,625
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	6,155,990

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	462,317	370,825
Long-Term Capital Gains	—	446
Total	462,317	371,271

\* Includes short-term capital gains, if any.

As of September 30, 2020, 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	16,821,919
Gross Unrealized Appreciation	6,272,510
Gross Unrealized Depreciation	(116,520)
Net Unrealized Appreciation (Depreciation)	6,155,990

Target Retirement 2050 Fund

E. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2020 Shares (000)	2019 Shares (000)
Issued	135,066	135,480
Issued in Lieu of Cash Distributions	11,376	11,274
Redeemed	(97,920)	(73,930)
Net Increase (Decrease) in Shares Outstanding	48,522	72,824

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

	Sept. 30, 2019 Market Value (\$000)	Current Period Transactions						Sept. 30, 2020 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	14,171	NA <sup>1</sup>	NA <sup>1</sup>	(63)	23	348	—	372,765
Vanguard Total Bond Market II Index Fund	1,395,754	774,697	829,044	14,186	42,417	33,066	—	1,398,010
Vanguard Total International Bond Index Fund	584,131	210,139	118,793	(819)	(6,733)	19,501	—	667,925
Vanguard Total International Stock Index Fund	6,993,878	1,276,112	220,417	(5,813)	172,905	187,506	—	8,216,665
Vanguard Total Stock Market Index Fund	10,504,597	1,010,121	631,192	20,583	1,418,435	193,845	—	12,322,544
Total	19,492,531	3,271,069	1,799,446	28,074	1,627,047	434,266	—	22,977,909

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no events or transactions occurred subsequent to September 30, 2020, that would require recognition or disclosure in these financial statements.

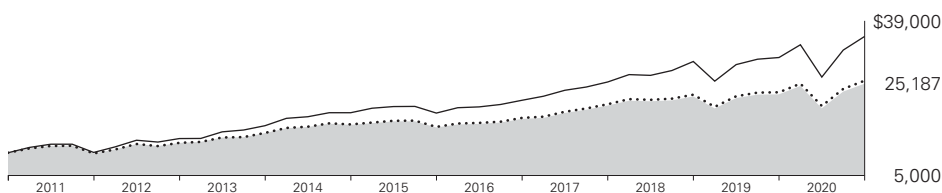
# Target Retirement 2055 Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: September 30, 2010, Through September 30, 2020

Initial Investment of \$10,000



### Average Annual Total Returns Periods Ended September 30, 2020

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Target Retirement 2055 Fund	10.25%	10.12%	9.68%	\$25,187
Target 2055 Composite Index	10.97	10.50	9.96	25,851
MSCI US Broad Market Index	14.99	13.70	13.53	35,575

Target 2055 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the MSCI Emerging Markets Index through December 15, 2010, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Float Adjusted Index; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged beginning June 3, 2013; and for U.S. stocks, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

See Financial Highlights for dividend and capital gains information.

## Underlying Vanguard Funds

As of September 30, 2020

Vanguard Total Stock Market Index Fund Investor Shares	54.4%
Vanguard Total International Stock Index Fund Investor Shares	36.3
Vanguard Total Bond Market II Index Fund Investor Shares	6.4
Vanguard Total International Bond Index Fund Investor Shares	2.9

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

# Financial Statements

## Schedule of Investments

As of September 30, 2020

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 (98.3%)</b>		
<b>U.S. Stock Fund (53.4%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	83,135,500	6,893,596
<b>International Stock Fund (35.7%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	274,775,787	4,605,242
<b>U.S. Bond Fund (6.3%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	70,817,869	817,238
<b>International Bond Fund (2.9%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	31,750,010	369,253
<b>Total Investment Companies (Cost \$10,328,866)</b>		<b>12,685,329</b>
<b>Temporary Cash Investment (1.7%)</b>		
<b>Money Market Fund (1.7%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.117% (Cost \$218,035)	2,180,559	218,056
<b>Total Investments (100.0%) (Cost \$10,546,901)</b>		<b>12,903,385</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(2,256)</b>
<b>Net Assets (100%)</b>		<b>12,901,129</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.

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


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## Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
10-Year U.S. Treasury Note	December 2020	808	112,741	91
E-mini S&P 500 Index	December 2020	657	110,113	1,101
				<u>1,192</u>

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

# Statement of Assets and Liabilities

As of September 30, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Issuers (Cost \$10,546,901)	12,903,385
Cash Collateral Pledged—Futures Contracts	7,710
Receivables for Investment Securities Sold	7,035
Receivables for Accrued Income	1,673
Receivables for Capital Shares Issued	13,082
Variation Margin Receivable—Futures Contracts	601
<b>Total Assets</b>	<b>12,933,486</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	1,673
Payables for Capital Shares Redeemed	30,482
Variation Margin Payable—Futures Contracts	202
<b>Total Liabilities</b>	<b>32,357</b>
<b>Net Assets</b>	<b>12,901,129</b>

At September 30, 2020, net assets consisted of:

Paid-in Capital	10,374,463
Total Distributable Earnings (Loss)	2,526,666
<b>Net Assets</b>	<b>12,901,129</b>

**Net Assets**

Applicable to 292,675,134 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	12,901,129
<b>Net Asset Value Per Share</b>	<b>\$44.08</b>



# Statement of Operations

Year Ended  
September 30, 2020  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	236,263
Other Income	7
<b>Net Investment Income—Note B</b>	<b>236,270</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	9,471
Futures Contracts	18,474
<b>Realized Net Gain (Loss)</b>	<b>27,945</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	904,190
Futures Contracts	1,192
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>905,382</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,169,597</b>

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

## Statement of Changes in Net Assets

	Year Ended September 30,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	236,270	207,163
Realized Net Gain (Loss)	27,945	432
Change in Unrealized Appreciation (Depreciation)	905,382	55,011
Net Increase (Decrease) in Net Assets Resulting from Operations	1,169,597	262,606
<b>Distributions<sup>1</sup></b>		
Total Distributions	(240,555)	(169,592)
<b>Capital Share Transactions</b>		
Issued	3,561,374	3,278,128
Issued in Lieu of Cash Distributions	236,321	166,487
Redeemed	(2,027,645)	(1,346,248)
Net Increase (Decrease) from Capital Share Transactions	1,770,050	2,098,367
Total Increase (Decrease)	2,699,092	2,191,381
<b>Net Assets</b>		
Beginning of Period	10,202,037	8,010,656
End of Period	12,901,129	10,202,037

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$40.84</b>	<b>\$40.95</b>	<b>\$37.98</b>	<b>\$33.15</b>	<b>\$30.14</b>
<b>Investment Operations</b>					
Net Investment Income	.862 <sup>1</sup>	.929 <sup>1</sup>	.868 <sup>1</sup>	.796 <sup>1</sup>	.642
Capital Gain Distributions Received	—	—	.001 <sup>1</sup>	.002 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	3.307	(.209)	2.819	4.688	2.974
<b>Total from Investment Operations</b>	<b>4.169</b>	<b>.720</b>	<b>3.688</b>	<b>5.486</b>	<b>3.619</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.929)	(.830)	(.718)	(.654)	(.593)
Distributions from Realized Capital Gains	—	—	—	(.002)	(.016)
<b>Total Distributions</b>	<b>(.929)</b>	<b>(.830)</b>	<b>(.718)</b>	<b>(.656)</b>	<b>(.609)</b>
<b>Net Asset Value, End of Period</b>	<b>\$44.08</b>	<b>\$40.84</b>	<b>\$40.95</b>	<b>\$37.98</b>	<b>\$33.15</b>
<b>Total Return<sup>2</sup></b>	<b>10.25%</b>	<b>2.09%</b>	<b>9.79%</b>	<b>16.86%</b>	<b>12.13%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$12,901	\$10,202	\$8,011	\$5,600	\$3,399
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.15%	0.15%	0.15%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	2.09%	2.37%	2.18%	2.26%	2.27%
Portfolio Turnover Rate	8%	3%	5%	5%	8%

1 Calculated based on average shares outstanding.

2 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.

## 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. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus 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 year ended September 30, 2020, the fund's average investments in long and short futures contracts each represented less than 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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 year ended September 30, 2020, 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 period ended September 30, 2020, 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 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 September 30, 2020, 100% of the market value of the fund’s investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets, if any, are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share.

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	158,620
Undistributed Long-Term Gains	11,562
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	2,356,484

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	240,555	169,592
Long-Term Capital Gains	—	—
Total	240,555	169,592

\* Includes short-term capital gains, if any.

As of September 30, 2020, 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	10,546,901
Gross Unrealized Appreciation	2,450,072
Gross Unrealized Depreciation	(93,588)
Net Unrealized Appreciation (Depreciation)	2,356,484

## E. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2020 Shares (000)	2019 Shares (000)
Issued	86,869	84,041
Issued in Lieu of Cash Distributions	5,459	4,747
Redeemed	(49,428)	(34,610)
Net Increase (Decrease) in Shares Outstanding	42,900	54,178

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

	Sept. 30, 2019 Market Value (\$000)	Current Period Transactions						Sept. 30, 2020 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	13,725	NA <sup>1</sup>	NA <sup>1</sup>	(37)	20	237	—	218,056
Vanguard Total Bond Market II Index Fund	731,996	476,624	422,219	5,108	25,729	18,163	—	817,238
Vanguard Total International Bond Index Fund	301,749	127,637	56,778	(635)	(2,720)	10,402	—	369,253
Vanguard Total International Stock Index Fund	3,658,733	946,610	90,993	(235)	91,127	101,870	—	4,605,242
Vanguard Total Stock Market Index Fund	5,503,625	896,669	302,002	5,270	790,034	105,591	—	6,893,596
Total	10,209,828	2,447,540	871,992	9,471	904,190	236,263	—	12,903,385

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no events or transactions occurred subsequent to September 30, 2020, that would require recognition or disclosure in these financial statements.

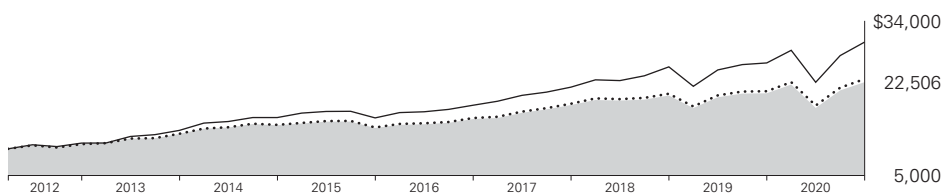
# Target Retirement 2060 Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: January 19, 2012, Through September 30, 2020

Initial Investment of \$10,000



Average Annual Total Returns  
Periods Ended September 30, 2020

	One Year	Five Years	Since Inception (1/19/2012)	Final Value of a \$10,000 Investment
Target Retirement 2060 Fund	10.25%	10.12%	9.78%	\$22,506
Target 2060 Composite Index	10.97	10.50	10.10	23,087
MSCI US Broad Market Index	14.99	13.70	13.47	30,021

Target 2060 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for emerging-market stocks, the MSCI ACWI ex USA IMI Index through June 2, 2013, and the FTSE Global All Cap ex US Index thereafter; for U.S. bonds, the Bloomberg Barclays U.S. Aggregate Float Adjusted Index; for international bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged beginning June 3, 2013; and for U.S. stocks, the MSCI US Broad Market Index through June 2, 2013, and the CRSP US Total Market Index thereafter. International stock benchmark returns are adjusted for withholding taxes.

\*"Since Inception" performance is calculated from the inception date for both the fund and its comparative standards.

See Financial Highlights for dividend and capital gains information.



## Underlying Vanguard Funds

As of September 30, 2020

Vanguard Total Stock Market Index Fund Investor Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	36.1
Vanguard Total Bond Market II Index Fund Investor Shares	7.0
Vanguard Total International Bond Index Fund Investor Shares	2.8

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

# Financial Statements

## Schedule of Investments

As of September 30, 2020

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 (98.3%)</b>		
<b>U.S. Stock Fund (53.2%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	38,665,834	3,206,171
<b>International Stock Fund (35.5%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	127,519,573	2,137,228
<b>U.S. Bond Fund (6.8%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	35,760,626	412,678
<b>International Bond Fund (2.8%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	14,279,834	166,074
<b>Total Investment Companies (Cost \$4,998,023)</b>		<b>5,922,151</b>
<b>Temporary Cash Investment (1.7%)</b>		
<b>Money Market Fund (1.7%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.117% (Cost \$101,888)	1,018,999	101,900
<b>Total Investments (100.0%) (Cost \$5,099,911)</b>		<b>6,024,051</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>2,534</b>
<b>Net Assets (100%)</b>		<b>6,026,585</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.

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Derivative Financial Instruments Outstanding as of Period End

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Futures Contracts

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			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<hr/> Long Futures Contracts				
E-mini S&P 500 Index	December 2020	442	74,079	650
10-Year U.S. Treasury Note	December 2020	227	31,674	26
				<hr/> 676

# Statement of Assets and Liabilities

As of September 30, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$5,099,911)	6,024,051
Cash Collateral Pledged—Futures Contracts	5,260
Receivables for Accrued Income	816
Receivables for Capital Shares Issued	8,767
Variation Margin Receivable—Futures Contracts	404
<b>Total Assets</b>	<b>6,039,298</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	2,961
Payables for Capital Shares Redeemed	9,695
Variation Margin Payable—Futures Contracts	57
<b>Total Liabilities</b>	<b>12,713</b>
<b>Net Assets</b>	<b>6,026,585</b>

At September 30, 2020, net assets consisted of:

Paid-in Capital	5,020,452
Total Distributable Earnings (Loss)	1,006,133
<b>Net Assets</b>	<b>6,026,585</b>
<b>Net Assets</b>	
Applicable to 154,733,930 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	6,026,585
<b>Net Asset Value Per Share</b>	<b>\$38.95</b>

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

# Statement of Operations

Year Ended  
September 30, 2020  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	106,234
Other Income	3
<b>Net Investment Income—Note B</b>	<b>106,237</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	4,900
Futures Contracts	11,493
<b>Realized Net Gain (Loss)</b>	<b>16,393</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	420,803
Futures Contracts	676
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>421,479</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>544,109</b>

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

## Statement of Changes in Net Assets

	Year Ended September 30,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	106,237	86,239
Realized Net Gain (Loss)	16,393	(656)
Change in Unrealized Appreciation (Depreciation)	421,479	29,171
Net Increase (Decrease) in Net Assets Resulting from Operations	544,109	114,754
<b>Distributions<sup>1</sup></b>		
Total Distributions	(102,334)	(68,127)
<b>Capital Share Transactions</b>		
Issued	2,143,394	1,629,071
Issued in Lieu of Cash Distributions	99,595	66,263
Redeemed	(1,016,890)	(622,889)
Net Increase (Decrease) from Capital Share Transactions	1,226,099	1,072,445
Total Increase (Decrease)	1,667,874	1,119,072
<b>Net Assets</b>		
Beginning of Period	4,358,711	3,239,639
End of Period	6,026,585	4,358,711

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$36.07</b>	<b>\$36.16</b>	<b>\$33.51</b>	<b>\$29.25</b>	<b>\$26.58</b>
<b>Investment Operations</b>					
Net Investment Income	.762 <sup>1</sup>	.822 <sup>1</sup>	.768 <sup>1</sup>	.708 <sup>1</sup>	.555
Capital Gain Distributions Received	—	—	—	.002 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	2.922	(.192)	2.495	4.126	2.635
<b>Total from Investment Operations</b>	<b>3.684</b>	<b>.630</b>	<b>3.263</b>	<b>4.836</b>	<b>3.193</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.804)	(.717)	(.613)	(.574)	(.503)
Distributions from Realized Capital Gains	—	(.003)	—	(.002)	(.020)
Total Distributions	(.804)	(.720)	(.613)	(.576)	(.523)
<b>Net Asset Value, End of Period</b>	<b>\$38.95</b>	<b>\$36.07</b>	<b>\$36.16</b>	<b>\$33.51</b>	<b>\$29.25</b>
<b>Total Return<sup>2</sup></b>	<b>10.25%</b>	<b>2.07%</b>	<b>9.81%</b>	<b>16.84%</b>	<b>12.13%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$6,027	\$4,359	\$3,240	\$2,081	\$1,143
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.15%	0.15%	0.15%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	2.09%	2.37%	2.19%	2.28%	2.28%
Portfolio Turnover Rate	6%	2%	3%	4%	6%

1 Calculated based on average shares outstanding.

2 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.

## 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. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus 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 year ended September 30, 2020, the fund's average investments in long and short futures contracts represented less than 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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 year ended September 30, 2020, 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 period ended September 30, 2020, 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 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 September 30, 2020, 100% of the market value of the fund’s investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets, if any, are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share.

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales; and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	75,136
Undistributed Long-Term Gains	6,857
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	924,140

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	102,334	68,105
Long-Term Capital Gains	—	22
Total	102,334	68,127

\* Includes short-term capital gains, if any.

As of September 30, 2020, 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	5,099,911
Gross Unrealized Appreciation	971,719
Gross Unrealized Depreciation	(47,579)
Net Unrealized Appreciation (Depreciation)	924,140

Target Retirement 2060 Fund

E. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2020 Shares (000)	2019 Shares (000)
Issued	59,404	47,218
Issued in Lieu of Cash Distributions	2,603	2,140
Redeemed	(28,099)	(18,120)
Net Increase (Decrease) in Shares Outstanding	33,908	31,238

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

	Sept. 30, 2019 Market Value (\$000)	Current Period Transactions						Sept. 30, 2020 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	6,033	NA <sup>1</sup>	NA <sup>1</sup>	(12)	13	117	—	101,900
Vanguard Total Bond Market II Index Fund	312,722	252,779	167,309	2,164	12,322	8,310	—	412,678
Vanguard Total International Bond Index Fund	127,829	60,603	20,935	(310)	(1,113)	4,527	—	166,074
Vanguard Total International Stock Index Fund	1,561,857	561,000	30,764	—	45,135	45,662	—	2,137,228
Vanguard Total Stock Market Index Fund	2,355,656	581,821	98,810	3,058	364,446	47,618	—	3,206,171
Total	4,364,097	1,456,203	317,818	4,900	420,803	106,234	—	6,024,051

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no events or transactions occurred subsequent to September 30, 2020, that would require recognition or disclosure in these financial statements.

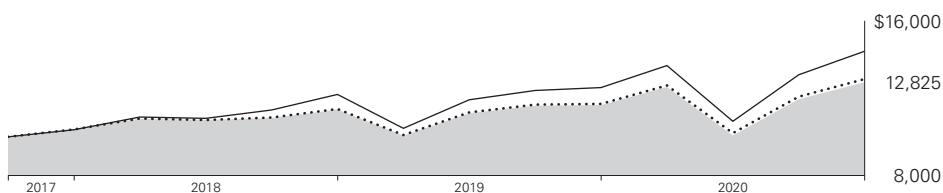
# Target Retirement 2065 Fund

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: July 12, 2017, Through September 30, 2020

Initial Investment of \$10,000



Average Annual Total Returns  
Periods Ended September 30, 2020

	One Year	Since Inception (7/12/2017)	Final Value of a \$10,000 Investment
Target Retirement 2065 Fund	10.11%	8.03%	\$12,825
Target 2065 Composite Index	10.97	8.46	12,988
MSCI US Broad Market Index	14.99	12.06	14,429

Target 2065 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: the FTSE Global All Cap ex US Index for international stocks, the Bloomberg Barclays U.S. Aggregate Float Adjusted Index for U.S. bonds, the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged for international bonds, and the CRSP US Total Market Index for U.S. stocks. International stock benchmark returns are adjusted for withholding taxes.

\*"Since Inception" performance is calculated from the inception date for both the fund and its comparative standards.

See Financial Highlights for dividend and capital gains information.

## Underlying Vanguard Funds

As of September 30, 2020

Vanguard Total Stock Market Index Fund Investor Shares	54.6%
Vanguard Total International Stock Index Fund Investor Shares	35.7
Vanguard Total Bond Market II Index Fund Investor Shares	7.2
Vanguard Total International Bond Index Fund Investor Shares	2.5

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

# Financial Statements

## Schedule of Investments

As of September 30, 2020

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 (98.7%)</b>		
<b>U.S. Stock Fund (54.0%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	5,628,941	466,752
<b>International Stock Fund (35.2%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	18,143,376	304,083
<b>U.S. Bond Fund (7.1%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	5,290,968	61,058
<b>International Bond Fund (2.4%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	1,809,107	21,040
<b>Total Investment Companies (Cost \$779,342)</b>		<b>852,933</b>
<b>Temporary Cash Investment (1.4%)</b>		
<b>Money Market Fund (1.4%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.117% (Cost \$12,076)	120,764	12,076
<b>Total Investments (100.1%) (Cost \$791,418)</b>		<b>865,009</b>
<b>Other Assets and Liabilities—Net (-0.1%)</b>		<b>(802)</b>
<b>Net Assets (100%)</b>		<b>864,207</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.

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


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## Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<hr/> Long Futures Contracts				
E-mini S&P 500 Index	December 2020	45	7,542	64
10-Year U.S. Treasury Note	December 2020	35	4,884	4
				<hr/> 68

# Statement of Assets and Liabilities

As of September 30, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$791,418)	865,009
Cash Collateral Pledged—Futures Contracts	540
Receivables for Accrued Income	117
Receivables for Capital Shares Issued	1,330
Variation Margin Receivable—Futures Contracts	41
<b>Total Assets</b>	<b>867,037</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	827
Payables for Capital Shares Redeemed	1,994
Variation Margin Payable—Futures Contracts	9
<b>Total Liabilities</b>	<b>2,830</b>
<b>Net Assets</b>	<b>864,207</b>

At September 30, 2020, net assets consisted of:

Paid-in Capital	780,488
Total Distributable Earnings (Loss)	83,719
<b>Net Assets</b>	<b>864,207</b>

**Net Assets**

Applicable to 35,249,276 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	864,207
<b>Net Asset Value Per Share</b>	<b>\$24.52</b>



# Statement of Operations

Year Ended  
September 30, 2020  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	13,149
Other Income	6
<b>Net Investment Income—Note B</b>	<b>13,155</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	161
Futures Contracts	1,018
<b>Realized Net Gain (Loss)</b>	<b>1,179</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	61,416
Futures Contracts	68
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>61,484</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>75,818</b>

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

## Statement of Changes in Net Assets

	Year Ended September 30,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	13,155	7,243
Realized Net Gain (Loss)	1,179	—
Change in Unrealized Appreciation (Depreciation)	61,484	7,079
Net Increase (Decrease) in Net Assets Resulting from Operations	75,818	14,322
<b>Distributions<sup>1</sup></b>		
Total Distributions	(9,765)	(3,976)
<b>Capital Share Transactions</b>		
Issued	602,188	295,477
Issued in Lieu of Cash Distributions	9,419	3,802
Redeemed	(233,506)	(91,083)
Net Increase (Decrease) from Capital Share Transactions	378,101	208,196
Total Increase (Decrease)	444,154	218,542
<b>Net Assets</b>		
Beginning of Period	420,053	201,511
End of Period	864,207	420,053

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,			July 12, 2017 <sup>1</sup> to Sept. 30, 2017
	2020	2019	2018	
<b>Net Asset Value, Beginning of Period</b>	<b>\$22.69</b>	<b>\$22.64</b>	<b>\$20.79</b>	<b>\$20.00</b>
<b>Investment Operations</b>				
Net Investment Income <sup>2</sup>	.485	.529	.524	.150
Capital Gain Distributions Received <sup>2</sup>	—	—	—	—
Net Realized and Unrealized Gain (Loss) on Investments	1.802	(.116)	1.496	.640
Total from Investment Operations	2.287	.413	2.020	.790
<b>Distributions</b>				
Dividends from Net Investment Income	(.457)	(.363)	(.170)	—
Distributions from Realized Capital Gains	—	.000 <sup>3</sup>	—	—
Total Distributions	(.457)	(.363)	(.170)	—
<b>Net Asset Value, End of Period</b>	<b>\$24.52</b>	<b>\$22.69</b>	<b>\$22.64</b>	<b>\$20.79</b>
<b>Total Return<sup>4</sup></b>	<b>10.11%</b>	<b>2.09%</b>	<b>9.75%</b>	<b>3.95%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$864	\$420	\$202	\$19
Ratio of Total Expenses to Average Net Assets	—	—	—	—
Acquired Fund Fees and Expenses	0.15%	0.15%	0.15%	0.15% <sup>5</sup>
Ratio of Net Investment Income to Average Net Assets	2.11%	2.42%	2.37%	3.30% <sup>5</sup>
Portfolio Turnover Rate	6%	2%	1%	29%

1 Inception.

2 Calculated based on average shares outstanding.

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

4 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.

5 Annualized.

## 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. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.vanguard.com).

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus 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 year ended September 30, 2020, the fund's average investments in long and short futures contracts represented less than 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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 year ended September 30, 2020, 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 period ended September 30, 2020, 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 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 September 30, 2020, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets, if any, are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share.

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	9,477
Undistributed Long-Term Gains	651
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	73,591

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	9,765	3,972
Long-Term Capital Gains	—	4
Total	9,765	3,976

\* Includes short-term capital gains, if any.

As of September 30, 2020, 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	791,418
Gross Unrealized Appreciation	82,481
Gross Unrealized Depreciation	(8,890)
Net Unrealized Appreciation (Depreciation)	73,591

Target Retirement 2065 Fund

E. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2020 Shares (000)	2019 Shares (000)
Issued	26,715	13,620
Issued in Lieu of Cash Distributions	391	195
Redeemed	(10,367)	(4,206)
Net Increase (Decrease) in Shares Outstanding	16,739	9,609

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

	Sept. 30, 2019 Market Value (\$000)	Current Period Transactions						Sept. 30, 2020 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	351	NA <sup>1</sup>	NA <sup>1</sup>	—	—	17	—	12,076
Vanguard Total Bond Market II Index Fund	29,564	45,961	16,268	134	1,667	1,004	—	61,058
Vanguard Total International Bond Index Fund	12,616	12,477	4,003	(23)	(27)	509	—	21,040
Vanguard Total International Stock Index Fund	150,631	145,804	1,160	—	8,808	5,600	—	304,083
Vanguard Total Stock Market Index Fund	227,011	201,687	12,964	50	50,968	6,019	—	466,752
Total	420,173	405,929	34,395	161	61,416	13,149	—	865,009

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no events or transactions occurred subsequent to September 30, 2020, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Chester Funds and Shareholders of Vanguard Target Retirement 2040 Fund, Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2050 Fund, Vanguard Target Retirement 2055 Fund, Vanguard Target Retirement 2060 Fund and Vanguard Target Retirement 2065 Fund

## Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Vanguard Target Retirement 2040 Fund, Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2050 Fund, Vanguard Target Retirement 2055 Fund, Vanguard Target Retirement 2060 Fund and Vanguard Target Retirement 2065 Fund (six of the funds constituting Vanguard Chester Funds, hereafter collectively referred to as the "Funds") as of September 30, 2020, the related statements of operations for the year ended September 30, 2020, the statements of changes in net assets for each of the two years in the period ended September 30, 2020, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of September 30, 2020, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended September 30, 2020 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2020 by correspondence with the transfer agent. We believe that our audits provide a reasonable basis for our opinions.

/s/ PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
November 12, 2020

We have served as the auditor of one or more investment companies in The Vanguard Group of Funds since 1975.



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### Special 2020 tax information (unaudited) for Vanguard Target Retirement Funds

This information for the fiscal year ended September 30, 2020, is included pursuant to provisions of the Internal Revenue Code.

The funds distributed capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year as follows:

Fund	(\$000)
Target Retirement 2040 Fund	123
Target Retirement 2045 Fund	287
Target Retirement 2050 Fund	—
Target Retirement 2055 Fund	—
Target Retirement 2060 Fund	—
Target Retirement 2065 Fund	—

For nonresident alien shareholders, 100% of short-term capital gain dividends distributed by the funds are qualified short-term capital gains.

The funds distributed qualified dividend income to shareholders during the fiscal year as follows:

Fund	(\$000)
Target Retirement 2040 Fund	442,225
Target Retirement 2045 Fund	435,923
Target Retirement 2050 Fund	316,456
Target Retirement 2055 Fund	164,612
Target Retirement 2060 Fund	70,068
Target Retirement 2065 Fund	6,664

For corporate shareholders, the percentage of investment income (dividend income plus short-term gains, if any) that qualifies for the dividends-received deduction is as follows:

Fund	Percentage
Target Retirement 2040 Fund	33.2%
Target Retirement 2045 Fund	36.2
Target Retirement 2050 Fund	36.0
Target Retirement 2055 Fund	36.4
Target Retirement 2060 Fund	35.8
Target Retirement 2065 Fund	38.1

The funds designate to shareholders foreign source income and foreign taxes paid as follows:

Fund	Foreign Source Income (\$000)	Foreign Taxes Paid (\$000)
Target Retirement 2040 Fund	309,940	18,425
Target Retirement 2045 Fund	290,891	18,474
Target Retirement 2050 Fund	217,362	13,815
Target Retirement 2055 Fund	117,890	7,505
Target Retirement 2060 Fund	52,707	3,364
Target Retirement 2065 Fund	6,418	412

Shareholders will receive more detailed information with their Form 1099-DIV in January 2021 to determine the calendar-year amounts to be included on their 2020 tax returns.

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The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 213 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at [vanguard.com](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### **Mortimer J. Buckley**

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (2019–present) of Vanguard and of each of the investment companies served by Vanguard; chief executive officer (2018–present) of Vanguard; chief executive officer, president, and trustee (2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Chairman of the board (2011–2017) and trustee (2009–2017) of the Children's Hospital of Philadelphia; and trustee (2018–present) and vice chair (2019–present) of The Shipley School.

## Independent Trustees

### **Emerson U. Fullwood**

Born in 1948. Trustee since January 2008. Principal occupation(s) during the past five years and other experience: executive chief staff and marketing officer for North America and corporate vice president (retired 2008) of Xerox Corporation (document management products and services). Former president of the Worldwide Channels Group, Latin America, and

Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology. Director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

### **Amy Gutmann**

Born in 1949. Trustee since June 2006. Principal occupation(s) during the past five years and other experience: president (2004–present) of the University of Pennsylvania. Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and professor of communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania.

### **F. Joseph Loughrey**

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services) and the Lumina Foundation. Director of the V Foundation. Member of the advisory

<sup>1</sup> Mr. Buckley is considered an "interested person," as defined in the Investment Company Act of 1940, because he is an officer of the Vanguard funds.

council for the College of Arts and Letters and chair of the advisory board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

#### **Mark Loughridge**

Born in 1953. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: senior vice president and chief financial officer (retired 2013) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

#### **Scott C. Malpass**

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired June 2020) and vice president (retired June 2020) of the University of Notre Dame. Assistant professor of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee (retired June 2020). Member of the board of Catholic Investment Services, Inc. (investment advisors) and the board of superintendence of the Institute for the Works of Religion.

#### **Deanna Mulligan**

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: board chair (2020–present), chief executive officer (2011–2020), and president (2010–2019) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of the individual life and disability division of Guardian Life. Member of the board of the American Council of Life Insurers and the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, NewYork-Presbyterian Hospital, Catalyst, and the Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

#### **André F. Perold**

Born in 1952. Trustee since December 2004. Principal occupation(s) during the past five years and other experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011). Chief investment officer and co-managing partner of HighVista Strategies (private investment firm). Member of the board of advisors and member of the investment committee of the Museum of Fine Arts Boston. Member of the board (2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

#### **Sarah Bloom Raskin**

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director (2017–present) of i(x) Investments, LLC; director (2017–present) of Reserve Trust. Rubenstein Fellow (2017–present) of Duke University; trustee (2017–present) of Amherst College, and trustee (2019–present) of the Folger Shakespeare Library.

#### **Peter F. Volanakis**

Born in 1955. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2010) of Corning Incorporated (communications equipment) and director of Corning Incorporated (2000–2010) and Dow Corning (2001–2010). Director (2012) of SPX Corporation (multi-industry manufacturing). Overseer of the Amos Tuck School of Business Administration, Dartmouth College (2001–2013). Chairman of the board of trustees of Colby-Sawyer College. Member of the board of Hypertherm Inc. (industrial cutting systems, software, and consumables).

## Executive Officers

### John Bendl

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2019–present) of each of the investment companies served by Vanguard. Chief accounting officer, treasurer, and controller of Vanguard (2017–present). Partner (2003–2016) at KPMG (audit, tax, and advisory services).

### Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

### David Cermak

Born in 1960. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present) of each of the investment companies served by Vanguard. Managing director and head (2017–present) of Vanguard Investments Singapore. Managing director and head (2017–2019) of Vanguard Investments Hong Kong. Representative director and head (2014–2017) of Vanguard Investments Japan.

### John Galloway

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (September 2020–present) of each of the investment companies served by Vanguard. Head of Investor Advocacy (February 2020–present) and head of Marketing Strategy and Planning (2017–2020) at Vanguard. Deputy assistant to the President of the United States (2015).

### Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present), chief financial officer (2008–2019), and treasurer (1998–2008) of each of the investment companies served by Vanguard.

### Peter Mahoney

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Controller (2015–present) of each of the investment companies served by Vanguard. Head of International Fund Services (2008–2014) at Vanguard.

### Anne E. Robinson

Born in 1970. Principal occupation(s) during the past five years and other experience: general counsel (2016–present) of Vanguard. Secretary (2016–present) of Vanguard and of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Managing director and general counsel of Global Cards and Consumer Services (2014–2016) at Citigroup. Counsel (2003–2014) at American Express.

### Michael Rollings

Born in 1963. Principal occupation(s) during the past five years and other experience: finance director (2017–present) and treasurer (2017) of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Chief financial officer (2016–present) of Vanguard. Director (2016–present) of Vanguard Marketing Corporation. Executive vice president and chief financial officer (2006–2016) of MassMutual Financial Group.

### John E. Schadt

Born in 1972. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2019–present) of Vanguard and of each of the investment companies served by Vanguard. Assistant vice president (2019–present) of Vanguard Marketing Corporation.

## Vanguard Senior Management Team

### Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

John T. Marcante

Chris D. McIsaac

James M. Norris

Thomas M. Rampulla

Karin A. Risi

Anne E. Robinson

Michael Rollings

Lauren Valente



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