

**Semiannual Report** | March 31, 2021

## 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

**Contents**

About Your Fund's Expenses ..... 1

Target Retirement 2040 Fund ..... 3

Target Retirement 2045 Fund ..... 14

Target Retirement 2050 Fund ..... 25

Target Retirement 2055 Fund ..... 36

Target Retirement 2060 Fund ..... 47

Target Retirement 2065 Fund ..... 58

Trustees Approve Advisory Arrangements ..... 69

Liquidity Risk Management ..... 71

# About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended March 31, 2021

	Beginning Account Value 9/30/2020	Ending Account Value 3/31/2021	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Target Retirement 2040 Fund	\$1,000.00	\$1,170.70	\$0.76
Target Retirement 2045 Fund	\$1,000.00	\$1,189.90	\$0.82
Target Retirement 2050 Fund	\$1,000.00	\$1,191.80	\$0.82
Target Retirement 2055 Fund	\$1,000.00	\$1,191.50	\$0.82
Target Retirement 2060 Fund	\$1,000.00	\$1,191.40	\$0.82
Target Retirement 2065 Fund	\$1,000.00	\$1,191.30	\$0.82
<b>Based on Hypothetical 5% Yearly Return</b>			
Target Retirement 2040 Fund	\$1,000.00	\$1,024.23	\$0.71
Target Retirement 2045 Fund	\$1,000.00	\$1,024.18	\$0.76
Target Retirement 2050 Fund	\$1,000.00	\$1,024.18	\$0.76
Target Retirement 2055 Fund	\$1,000.00	\$1,024.18	\$0.76
Target Retirement 2060 Fund	\$1,000.00	\$1,024.18	\$0.76
Target Retirement 2065 Fund	\$1,000.00	\$1,024.18	\$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 that 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 (182/365).

# Target Retirement 2040 Fund

## Underlying Vanguard Funds

As of March 31, 2021

Vanguard Total Stock Market Index Fund Investor Shares	49.0%
Vanguard Total International Stock Index Fund Investor Shares	32.9
Vanguard Total Bond Market II Index Fund Investor Shares	12.6
Vanguard Total International Bond Index Fund Investor Shares	5.5

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

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2021

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 (48.6%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	167,659,520	16,844,752
<b>International Stock Fund (32.6%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	562,756,344	11,322,658
<b>U.S. Bond Fund (12.5%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	395,873,561	4,350,650
<b>International Bond Fund (5.5%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	166,179,946	1,894,451
<b>Total Investment Companies</b> <b>(Cost \$19,929,068)</b>		<b>34,412,511</b>
<b>Temporary Cash Investments (0.9%)</b>		
<b>Money Market Fund (0.9%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.081% <b>(Cost \$322,393)</b>	3,224,088	<b>322,409</b>
<b>Total Investments (100.1%)</b> <b>(Cost \$20,251,461)</b>		<b>34,734,920</b>
<b>Other Assets and Liabilities—Net (-0.1%)</b>		<b>(38,611)</b>
<b>Net Assets (100%)</b>		<b>34,696,309</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

---

### Derivative Financial Instruments Outstanding as of Period End

---

#### 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	June 2021	1,189	155,685	(3,963)
E-mini S&P 500 Index	June 2021	705	139,851	1,100
				(2,863)

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

# Statement of Assets and Liabilities

As of March 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$20,251,461)	34,734,920
Cash Collateral Pledged—Futures Contracts	11,230
Receivables for Investment Securities Sold	98,132
Receivables for Accrued Income	9,381
Receivables for Capital Shares Issued	27,146
Variation Margin Receivable—Futures Contracts	689
<b>Total Assets</b>	<b>34,881,498</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	9,381
Payables for Capital Shares Redeemed	175,808
<b>Total Liabilities</b>	<b>185,189</b>
<b>Net Assets</b>	<b>34,696,309</b>

At March 31, 2021, net assets consisted of:

Paid-in Capital	19,175,667
Total Distributable Earnings (Loss)	15,520,642
<b>Net Assets</b>	<b>34,696,309</b>

## Net Assets

Applicable to 754,921,803 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	34,696,309
<b>Net Asset Value Per Share</b>	<b>\$45.96</b>



# Statement of Operations

Six Months Ended  
March 31, 2021

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	304,189
<b>Net Investment Income— Note B</b>	<b>304,189</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	42,037
Affiliated Funds Sold	1,011,121
Futures Contracts	11,591
<b>Realized Net Gain (Loss)</b>	<b>1,064,749</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	4,074,249
Futures Contracts	(3,709)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>4,070,540</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>5,439,478</b>

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	304,189	641,754
Realized Net Gain (Loss)	1,064,749	50,254
Change in Unrealized Appreciation (Depreciation)	4,070,540	2,178,061
Net Increase (Decrease) in Net Assets Resulting from Operations	5,439,478	2,870,069
<b>Distributions</b>		
Total Distributions	(727,665)	(701,833)
<b>Capital Share Transactions</b>		
Issued	3,488,261	6,050,667
Issued in Lieu of Cash Distributions	714,461	690,099
Redeemed	(6,622,608)	(5,547,404)
Net Increase (Decrease) from Capital Share Transactions	(2,419,886)	1,193,362
Total Increase (Decrease)	2,291,927	3,361,598
<b>Net Assets</b>		
Beginning of Period	32,404,382	29,042,784
End of Period	34,696,309	32,404,382

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,	Year Ended September 30,				
	2021	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$40.07</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	.381 <sup>1</sup>	.799 <sup>1</sup>	.850 <sup>1</sup>	.786 <sup>1</sup>	.718 <sup>1</sup>	.660
Capital Gain Distributions Received	.053 <sup>1</sup>	—	—	.001 <sup>1</sup>	.003 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	6.369	2.892	(.005)	2.441	4.143	2.687
Total from Investment Operations	6.803	3.691	.845	3.228	4.864	3.350
<b>Distributions</b>						
Dividends from Net Investment Income	(.719)	(.891)	(.779)	(.684)	(.599)	(.615)
Distributions from Realized Capital Gains	(.194)	—	(.056)	(.014)	(.125)	(.235)
Total Distributions	(.913)	(.891)	(.835)	(.698)	(.724)	(.850)
<b>Net Asset Value, End of Period</b>	<b>\$45.96</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>17.07%</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)	\$34,696	\$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%	0.14%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	1.74%	2.12%	2.38%	2.17%	2.23%	2.23%
Portfolio Turnover Rate	4%	13%	5%	8%	8%	16%

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

1 Calculated based on average shares outstanding.

2 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 six months ended March 31, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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 six months ended March 31, 2021, 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 March 31, 2021, 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.

## Target Retirement 2040 Fund

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 March 31, 2021, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. As of March 31, 2021, 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	20,251,461
Gross Unrealized Appreciation	14,556,252
Gross Unrealized Depreciation	(75,656)
Net Unrealized Appreciation (Depreciation)	14,480,596

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	Shares (000)	Shares (000)
Issued	78,913	161,302
Issued in Lieu of Cash Distributions	16,168	17,596
Redeemed	(148,864)	(149,436)
Net Increase (Decrease) in Shares Outstanding	(53,783)	29,462

Target Retirement 2040 Fund

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

	Current Period Transactions							
	Sep. 30, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2021 Market Value (\$000)
Vanguard Market Liquidity Fund	247,069	NA <sup>1</sup>	NA <sup>1</sup>	—	—	157	—	322,409
Vanguard Total Bond Market II Index Fund	3,935,308	724,578	94,413	(2,296)	(212,527)	39,307	39,338	4,350,650
Vanguard Total International Bond Index Fund	1,696,600	236,712	—	—	(38,861)	7,904	2,699	1,894,451
Vanguard Total International Stock Index Fund	10,551,197	139,994	1,456,005	135,114	1,952,358	139,995	—	11,322,658
Vanguard Total Stock Market Index Fund	15,976,053	132,946	2,515,829	878,303	2,373,279	116,826	—	16,844,752
Total	32,406,227	1,234,230	4,066,247	1,011,121	4,074,249	304,189	42,037	34,734,920

<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 March 31, 2021, that would require recognition or disclosure in these financial statements.

# Target Retirement 2045 Fund

## Underlying Vanguard Funds

As of March 31, 2021

Vanguard Total Stock Market Index Fund Investor Shares	53.5%
Vanguard Total International Stock Index Fund Investor Shares	36.0
Vanguard Total Bond Market II Index Fund Investor Shares	7.4
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 (unaudited)

## Schedule of Investments

As of March 31, 2021

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 (99.1%)</b>		
<b>U.S. Stock Fund (53.1%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	175,788,288	17,661,449
<b>International Stock Fund (35.6%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	589,430,388	11,859,339
<b>U.S. Bond Fund (7.3%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	222,026,311	2,440,069
<b>International Bond Fund (3.1%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	90,518,399	1,031,910
<b>Total Investment Companies</b> <b>(Cost \$18,402,327)</b>		<b>32,992,767</b>
<b>Temporary Cash Investments (0.9%)</b>		
<b>Money Market Fund (0.9%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.081% (Cost \$315,302)	3,153,159	315,316
<b>Total Investments (100.0%)</b> <b>(Cost \$18,717,629)</b>		<b>33,308,083</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(2,053)</b>
<b>Net Assets (100%)</b>		<b>33,306,030</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 2045 Fund

---

Derivative Financial Instruments Outstanding as of Period End

---

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	June 2021	1,370	179,384	(4,564)
E-mini S&P 500 Index	June 2021	607	120,411	1,046
				(3,518)

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

# Statement of Assets and Liabilities

As of March 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$18,717,629)	33,308,083
Cash Collateral Pledged—Futures Contracts	8,800
Receivables for Investment Securities Sold	164,183
Receivables for Accrued Income	5,224
Receivables for Capital Shares Issued	29,859
Variation Margin Receivable—Futures Contracts	414
<b>Total Assets</b>	<b>33,516,563</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	5,224
Payables for Capital Shares Redeemed	205,309
<b>Total Liabilities</b>	<b>210,533</b>
<b>Net Assets</b>	<b>33,306,030</b>

At March 31, 2021, net assets consisted of:

Paid-in Capital	17,964,710
Total Distributable Earnings (Loss)	15,341,320
<b>Net Assets</b>	<b>33,306,030</b>

## Net Assets

Applicable to 1,130,875,377 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	33,306,030
<b>Net Asset Value Per Share</b>	<b>\$29.45</b>

# Statement of Operations

Six Months Ended  
March 31, 2021

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	290,628
<b>Net Investment Income— Note B</b>	<b>290,628</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	22,548
Affiliated Funds Sold	684,380
Futures Contracts	9,139
<b>Realized Net Gain (Loss)</b>	<b>716,067</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	4,663,044
Futures Contracts	(4,687)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>4,658,357</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>5,665,052</b>

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	290,628	581,187
Realized Net Gain (Loss)	716,067	63,513
Change in Unrealized Appreciation (Depreciation)	4,658,357	2,123,497
Net Increase (Decrease) in Net Assets Resulting from Operations	5,665,052	2,768,197
<b>Distributions</b>		
Total Distributions	(634,586)	(636,663)
<b>Capital Share Transactions</b>		
Issued	3,077,267	5,359,364
Issued in Lieu of Cash Distributions	623,462	626,488
Redeemed	(5,630,559)	(4,581,926)
Net Increase (Decrease) from Capital Share Transactions	(1,929,830)	1,403,926
Total Increase (Decrease)	3,100,636	3,535,460
<b>Net Assets</b>		
Beginning of Period	30,205,394	26,669,934
End of Period	33,306,030	30,205,394

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2021	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$25.22</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	.245 <sup>1</sup>	.492 <sup>1</sup>	.527 <sup>1</sup>	.492 <sup>1</sup>	.450 <sup>1</sup>	.411
Capital Gain Distributions Received	.019 <sup>1</sup>	—	—	—	.001 <sup>1</sup>	.002
Net Realized and Unrealized Gain (Loss) on Investments	4.501	1.900	(.128)	1.636	2.696	1.692
Total from Investment Operations	4.765	2.392	.399	2.128	3.147	2.105
<b>Distributions</b>						
Dividends from Net Investment Income	(.452)	(.552)	(.483)	(.428)	(.375)	(.386)
Distributions from Realized Capital Gains	(.083)	—	(.026)	(.010)	(.092)	(.199)
Total Distributions	(.535)	(.552)	(.509)	(.438)	(.467)	(.585)
<b>Net Asset Value, End of Period</b>	<b>\$29.45</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>18.99%</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)	\$33,306	\$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%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	1.76%	2.08%	2.35%	2.16%	2.23%	2.43%
Portfolio Turnover Rate	3%	9%	4%	7%	8%	13%

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

1 Calculated based on average shares outstanding.

2 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 six months ended March 31, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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 six months ended March 31, 2021, 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 March 31, 2021, 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 March 31, 2021, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. As of March 31, 2021, 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	18,717,629
Gross Unrealized Appreciation	14,636,601
Gross Unrealized Depreciation	(49,665)
Net Unrealized Appreciation (Depreciation)	14,586,936

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	Shares (000)	Shares (000)
Issued	109,380	228,288
Issued in Lieu of Cash Distributions	22,156	25,292
Redeemed	(198,458)	(196,369)
Net Increase (Decrease) in Shares Outstanding	(66,922)	57,211

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

	Current Period Transactions							Mar. 31, 2021 Market Value (\$000)
	Sep. 30, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	381,076	NA <sup>1</sup>	NA <sup>1</sup>	—	—	160	—	315,316
Vanguard Total Bond Market II Index Fund	1,888,027	668,684	—	—	(116,642)	20,872	21,098	2,440,069
Vanguard Total International Bond Index Fund	920,558	132,518	—	—	(21,166)	4,280	1,450	1,031,910
Vanguard Total International Stock Index Fund	10,776,357	143,985	1,198,757	93,024	2,044,730	143,990	—	11,859,339
Vanguard Total Stock Market Index Fund	16,243,273	132,126	2,061,428	591,356	2,756,122	121,326	—	17,661,449
Total	30,209,291	1,077,313	3,260,185	684,380	4,663,044	290,628	22,548	33,308,083

<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 March 31, 2021, that would require recognition or disclosure in these financial statements.

# Target Retirement 2050 Fund

## Underlying Vanguard Funds

As of March 31, 2021

Vanguard Total Stock Market Index Fund Investor Shares	54.2%
Vanguard Total International Stock Index Fund Investor Shares	36.4
Vanguard Total Bond Market II Index Fund Investor Shares	6.4
Vanguard Total International Bond Index Fund Investor Shares	2.9
Vanguard Total International Bond II Index Fund Investor Shares	0.1

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

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2021

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 (99.1%)</b>		
<b>U.S. Stock Fund (53.7%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	135,716,691	13,635,456
<b>International Stock Fund (36.1%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	454,946,218	9,153,518
<b>U.S. Bond Fund (6.4%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	146,691,504	1,612,140
<b>International Bond Funds (2.9%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	64,139,105	731,186
<sup>1</sup> Vanguard Total International Bond II Index Fund Investor Shares	1,500,345	15,003
		<b>746,189</b>
<b>Total Investment Companies</b> <b>(Cost \$15,262,171)</b>		<b>25,147,303</b>
<b>Temporary Cash Investments (1.0%)</b>		
<b>Money Market Fund (1.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.081% (Cost \$259,756)	2,597,785	259,778
<b>Total Investments (100.1%)</b> <b>(Cost \$15,521,927)</b>		<b>25,407,081</b>
<b>Other Assets and Liabilities—Net (-0.1%)</b>		<b>(16,521)</b>
<b>Net Assets (100%)</b>		<b>25,390,560</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 2050 Fund

---

Derivative Financial Instruments Outstanding as of Period End

---

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	June 2021	1,156	151,364	(3,819)
E-mini S&P 500 Index	June 2021	545	108,111	938
				<u>(2,881)</u>

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

# Statement of Assets and Liabilities

As of March 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$15,521,927)	25,407,081
Cash Collateral Pledged—Futures Contracts	6,790
Receivables for Investment Securities Sold	79,770
Receivables for Accrued Income	3,516
Receivables for Capital Shares Issued	22,611
Variation Margin Receivable—Futures Contracts	287
<b>Total Assets</b>	<b>25,520,055</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	3,517
Payables for Capital Shares Redeemed	125,978
<b>Total Liabilities</b>	<b>129,495</b>
<b>Net Assets</b>	<b>25,390,560</b>

At March 31, 2021, net assets consisted of:

Paid-in Capital	15,052,041
Total Distributable Earnings (Loss)	10,338,519
<b>Net Assets</b>	<b>25,390,560</b>

## Net Assets

Applicable to 534,373,864 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	25,390,560
<b>Net Asset Value Per Share</b>	<b>\$47.51</b>

# Statement of Operations

Six Months Ended  
March 31, 2021

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	222,040
<b>Net Investment Income— Note B</b>	<b>222,040</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	16,053
Affiliated Funds Sold	387,708
Futures Contracts	2,456
<b>Realized Net Gain (Loss)</b>	<b>406,217</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	3,729,164
Futures Contracts	(4,422)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>3,724,742</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>4,352,999</b>

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

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	222,040	434,278
Realized Net Gain (Loss)	406,217	47,373
Change in Unrealized Appreciation (Depreciation)	3,724,742	1,628,588
Net Increase (Decrease) in Net Assets Resulting from Operations	4,352,999	2,110,239
<b>Distributions</b>		
Total Distributions	(470,654)	(462,317)
<b>Capital Share Transactions</b>		
Issued	2,897,394	5,098,536
Issued in Lieu of Cash Distributions	460,885	453,580
Redeemed	(4,828,709)	(3,691,857)
Net Increase (Decrease) from Capital Share Transactions	(1,470,430)	1,860,259
Total Increase (Decrease)	2,411,915	3,508,181
<b>Net Assets</b>		
Beginning of Period	22,978,645	19,470,464
End of Period	25,390,560	22,978,645

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



## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2021	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$40.60</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	.396 <sup>1</sup>	.793 <sup>1</sup>	.851 <sup>1</sup>	.794 <sup>1</sup>	.727 <sup>1</sup>	.636
Capital Gain Distributions Received	.029 <sup>1</sup>	—	—	.001 <sup>1</sup>	.002 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	7.322	3.053	(.204)	2.629	4.332	2.714
Total from Investment Operations	7.747	3.846	.647	3.424	5.061	3.353
<b>Distributions</b>						
Dividends from Net Investment Income	(.741)	(.876)	(.789)	(.684)	(.587)	(.585)
Distributions from Realized Capital Gains	(.096)	—	(.028)	(.010)	(.034)	(.088)
Total Distributions	(.837)	(.876)	(.817)	(.694)	(.621)	(.673)
<b>Net Asset Value, End of Period</b>	<b>\$47.51</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>19.18%</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)	\$25,391	\$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%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	1.76%	2.08%	2.36%	2.16%	2.24%	2.24%
Portfolio Turnover Rate	3%	9%	3%	7%	6%	12%

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

1 Calculated based on average shares outstanding.

2 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 six months ended March 31, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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 six months ended March 31, 2021, 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 March 31, 2021, 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 March 31, 2021, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. As of March 31, 2021, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	15,522,419
Gross Unrealized Appreciation	9,910,582
Gross Unrealized Depreciation	(28,801)
Net Unrealized Appreciation (Depreciation)	9,881,781

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	Shares (000)	Shares (000)
Issued	63,959	135,066
Issued in Lieu of Cash Distributions	10,161	11,376
Redeemed	(105,677)	(97,920)
Net Increase (Decrease) in Shares Outstanding	(31,557)	48,522

Target Retirement 2050 Fund

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

	Current Period Transactions							Mar. 31, 2021 Market Value (\$000)
	Sep. 30, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	372,765	NA <sup>1</sup>	NA <sup>1</sup>	—	—	136	—	259,778
Vanguard Total Bond Market II Index Fund	1,398,010	448,634	153,862	(2,160)	(78,482)	14,571	15,008	1,612,140
Vanguard Total International Bond Index Fund	667,925	78,386	—	—	(15,125)	3,101	1,045	731,186
Vanguard Total International Bond II Index Fund	—	15,003	—	—	—	3	—	15,003
Vanguard Total International Stock Index Fund	8,216,665	131,413	834,061	65,423	1,574,078	110,850	—	9,153,518
Vanguard Total Stock Market Index Fund	12,322,544	163,623	1,423,849	324,445	2,248,693	93,379	—	13,635,456
<b>Total</b>	<b>22,977,909</b>	<b>837,059</b>	<b>2,411,772</b>	<b>387,708</b>	<b>3,729,164</b>	<b>222,040</b>	<b>16,053</b>	<b>25,407,081</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 March 31, 2021, that would require recognition or disclosure in these financial statements.

# Target Retirement 2055 Fund

## Underlying Vanguard Funds

As of March 31, 2021

Vanguard Total Stock Market Index Fund Investor Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	36.3
Vanguard Total Bond Market II Index Fund Investor Shares	6.6
Vanguard Total International Bond Index Fund Investor Shares	2.9
Vanguard Total International Bond II Index Fund Investor Shares	0.1

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

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2021

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 (53.7%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	77,637,618	7,800,251
<b>International Stock Fund (36.0%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	260,251,818	5,236,267
<b>U.S. Bond Fund (6.5%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	85,756,004	942,458
<b>International Bond Funds (3.0%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	36,190,975	412,577
<sup>1</sup> Vanguard Total International Bond II Index Fund Investor Shares	2,000,460	20,005
		<b>432,582</b>
<b>Total Investment Companies</b> <b>(Cost \$9,883,262)</b>		<b>14,411,558</b>
<b>Temporary Cash Investments (1.0%)</b>		
<b>Money Market Fund (1.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.081% (Cost \$144,599)	1,446,197	144,620
<b>Total Investments (100.2%)</b> <b>(Cost \$10,027,861)</b>		<b>14,556,178</b>
<b>Other Assets and Liabilities—Net (-0.2%)</b>		<b>(27,842)</b>
<b>Net Assets (100%)</b>		<b>14,528,336</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 2055 Fund

---

Derivative Financial Instruments Outstanding as of Period End

---

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	June 2021	471	61,672	(1,541)
E-mini S&P 500 Index	June 2021	319	63,280	468
				<u>(1,073)</u>

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



# Statement of Assets and Liabilities

As of March 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$10,027,861)	14,556,178
Cash Collateral Pledged—Futures Contracts	5,050
Receivables for Investment Securities Sold	52,848
Receivables for Accrued Income	2,035
Receivables for Capital Shares Issued	16,422
Variation Margin Receivable—Futures Contracts	327
<b>Total Assets</b>	<b>14,632,860</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	2,035
Payables for Capital Shares Redeemed	102,489
<b>Total Liabilities</b>	<b>104,524</b>
<b>Net Assets</b>	<b>14,528,336</b>

At March 31, 2021, net assets consisted of:

Paid-in Capital	9,812,627
Total Distributable Earnings (Loss)	4,715,709
<b>Net Assets</b>	<b>14,528,336</b>

## Net Assets

Applicable to 281,646,098 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	14,528,336
<b>Net Asset Value Per Share</b>	<b>\$51.58</b>

# Statement of Operations

Six Months Ended  
March 31, 2021

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	125,786
<b>Net Investment Income— Note B</b>	<b>125,786</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	9,162
Affiliated Funds Sold	143,760
Futures Contracts	3,851
<b>Realized Net Gain (Loss)</b>	<b>156,773</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	2,171,833
Futures Contracts	(2,265)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>2,169,568</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>2,452,127</b>

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	125,786	236,270
Realized Net Gain (Loss)	156,773	27,945
Change in Unrealized Appreciation (Depreciation)	2,169,568	905,382
Net Increase (Decrease) in Net Assets Resulting from Operations	2,452,127	1,169,597
<b>Distributions</b>		
Total Distributions	(263,084)	(240,555)
<b>Capital Share Transactions</b>		
Issued	2,084,755	3,561,374
Issued in Lieu of Cash Distributions	258,127	236,321
Redeemed	(2,904,718)	(2,027,645)
Net Increase (Decrease) from Capital Share Transactions	(561,836)	1,770,050
Total Increase (Decrease)	1,627,207	2,699,092
<b>Net Assets</b>		
Beginning of Period	12,901,129	10,202,037
End of Period	14,528,336	12,901,129

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,	Year Ended September 30,				
	2021	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$44.08</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	.431 <sup>1</sup>	.862 <sup>1</sup>	.929 <sup>1</sup>	.868 <sup>1</sup>	.796 <sup>1</sup>	.642
Capital Gain Distributions Received	.031 <sup>1</sup>	—	—	.001 <sup>1</sup>	.002 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	7.935	3.307	(.209)	2.819	4.688	2.974
Total from Investment Operations	8.397	4.169	.720	3.688	5.486	3.619
<b>Distributions</b>						
Dividends from Net Investment Income	(.791)	(.929)	(.830)	(.718)	(.654)	(.593)
Distributions from Realized Capital Gains	(.106)	—	—	—	(.002)	(.016)
Total Distributions	(.897)	(.929)	(.830)	(.718)	(.656)	(.609)
<b>Net Asset Value, End of Period</b>	<b>\$51.58</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>19.15%</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)	\$14,528	\$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%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	1.76%	2.09%	2.37%	2.18%	2.26%	2.27%
Portfolio Turnover Rate	4%	8%	3%	5%	5%	8%

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

1 Calculated based on average shares outstanding.

2 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 six months ended March 31, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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 six months ended March 31, 2021, 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 March 31, 2021, 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 March 31, 2021, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. As of March 31, 2021, 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	10,028,854
Gross Unrealized Appreciation	4,544,274
Gross Unrealized Depreciation	(18,023)
Net Unrealized Appreciation (Depreciation)	4,526,251

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	Shares (000)	Shares (000)
Issued	42,391	86,869
Issued in Lieu of Cash Distributions	5,241	5,459
Redeemed	(58,661)	(49,428)
Net Increase (Decrease) in Shares Outstanding	(11,029)	42,900

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

	Current Period Transactions							Mar. 31, 2021 Market Value (\$000)
	Sep. 30, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	218,056	NA <sup>1</sup>	NA <sup>1</sup>	—	—	79	—	144,620
Vanguard Total Bond Market II Index Fund	817,238	253,601	82,088	(1,085)	(45,208)	8,423	8,554	942,458
Vanguard Total International Bond Index Fund	369,253	56,431	4,452	(100)	(8,555)	1,754	608	412,577
Vanguard Total International Bond II Index Fund	—	20,005	—	—	—	5	—	20,005
Vanguard Total International Stock Index Fund	4,605,242	101,248	390,593	20,520	899,850	62,441	—	5,236,267
Vanguard Total Stock Market Index Fund	6,893,596	164,653	708,169	124,425	1,325,746	53,084	—	7,800,251
<b>Total</b>	<b>12,903,385</b>	<b>595,938</b>	<b>1,185,302</b>	<b>143,760</b>	<b>2,171,833</b>	<b>125,786</b>	<b>9,162</b>	<b>14,556,178</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 March 31, 2021, that would require recognition or disclosure in these financial statements.



# Target Retirement 2060 Fund

## Underlying Vanguard Funds

As of March 31, 2021

Vanguard Total Stock Market Index Fund Investor Shares	54.2%
Vanguard Total International Stock Index Fund Investor Shares	36.3
Vanguard Total Bond Market II Index Fund Investor Shares	6.7
Vanguard Total International Bond Index Fund Investor Shares	2.7
Vanguard Total International Bond II Index Fund Investor Shares	0.1

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

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2021

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 (53.8%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	38,472,390	3,865,321
<b>International Stock Fund (36.0%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	128,483,498	2,585,088
<b>U.S. Bond Fund (6.6%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	43,485,836	477,909
<b>International Bond Funds (2.8%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	16,817,726	191,722
<sup>1</sup> Vanguard Total International Bond II Index Fund Investor Shares	1,000,230	10,003
		<b>201,725</b>
<b>Total Investment Companies</b> <b>(Cost \$5,124,942)</b>		<b>7,130,043</b>
<b>Temporary Cash Investments (1.1%)</b>		
<b>Money Market Fund (1.1%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.081% (Cost \$75,194)	752,052	75,205
<b>Total Investments (100.3%)</b> <b>(Cost \$5,200,136)</b>		<b>7,205,248</b>
<b>Other Assets and Liabilities—Net (-0.3%)</b>		<b>(20,742)</b>
<b>Net Assets (100%)</b>		<b>7,184,506</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 2060 Fund

---

Derivative Financial Instruments Outstanding as of Period End

---

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	June 2021	243	31,818	(684)
E-mini S&P 500 Index	June 2021	136	26,978	202
				(482)

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

# Statement of Assets and Liabilities

As of March 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$5,200,136)	7,205,248
Cash Collateral Pledged—Futures Contracts	2,570
Receivables for Accrued Income	1,019
Receivables for Capital Shares Issued	9,179
Variation Margin Receivable—Futures Contracts	167
<b>Total Assets</b>	<b>7,218,183</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	1,019
Payables for Capital Shares Redeemed	32,658
<b>Total Liabilities</b>	<b>33,677</b>
<b>Net Assets</b>	<b>7,184,506</b>

At March 31, 2021, net assets consisted of:

Paid-in Capital	5,142,193
Total Distributable Earnings (Loss)	2,042,313
<b>Net Assets</b>	<b>7,184,506</b>

<b>Net Assets</b>	
Applicable to 157,671,203 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	7,184,506
<b>Net Asset Value Per Share</b>	<b>\$45.57</b>

# Statement of Operations

Six Months Ended  
March 31, 2021

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	60,225
<b>Net Investment Income— Note B</b>	<b>60,225</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	4,453
Affiliated Funds Sold	13,930
Futures Contracts	3,645
<b>Realized Net Gain (Loss)</b>	<b>22,028</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	1,080,972
Futures Contracts	(1,158)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,079,814</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,162,067</b>

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	60,225	106,237
Realized Net Gain (Loss)	22,028	16,393
Change in Unrealized Appreciation (Depreciation)	1,079,814	421,479
Net Increase (Decrease) in Net Assets Resulting from Operations	1,162,067	544,109
<b>Distributions</b>		
Total Distributions	(125,887)	(102,334)
<b>Capital Share Transactions</b>		
Issued	1,321,306	2,143,394
Issued in Lieu of Cash Distributions	122,717	99,595
Redeemed	(1,322,282)	(1,016,890)
Net Increase (Decrease) from Capital Share Transactions	121,741	1,226,099
Total Increase (Decrease)	1,157,921	1,667,874
<b>Net Assets</b>		
Beginning of Period	6,026,585	4,358,711
End of Period	7,184,506	6,026,585

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2021	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$38.95</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	.381 <sup>1</sup>	.762 <sup>1</sup>	.822 <sup>1</sup>	.768 <sup>1</sup>	.708 <sup>1</sup>	.555
Capital Gain Distributions Received	.028 <sup>1</sup>	—	—	—	.002 <sup>1</sup>	.003
Net Realized and Unrealized Gain (Loss) on Investments	7.008	2.922	(.192)	2.495	4.126	2.635
Total from Investment Operations	7.417	3.684	.630	3.263	4.836	3.193
<b>Distributions</b>						
Dividends from Net Investment Income	(.684)	(.804)	(.717)	(.613)	(.574)	(.503)
Distributions from Realized Capital Gains	(.113)	—	(.003)	—	(.002)	(.020)
Total Distributions	(.797)	(.804)	(.720)	(.613)	(.576)	(.523)
<b>Net Asset Value, End of Period</b>	<b>\$45.57</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>19.14%</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)	\$7,185	\$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%	0.15%	0.16%
Ratio of Net Investment Income to Average Net Assets	1.77%	2.09%	2.37%	2.19%	2.28%	2.28%
Portfolio Turnover Rate	5%	6%	2%	3%	4%	6%

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

1 Calculated based on average shares outstanding.

2 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 six months ended March 31, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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 six months ended March 31, 2021, 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 March 31, 2021, 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 March 31, 2021, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. As of March 31, 2021, 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	5,200,613
Gross Unrealized Appreciation	2,014,266
Gross Unrealized Depreciation	(10,113)
Net Unrealized Appreciation (Depreciation)	2,004,153

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	Shares (000)	Shares (000)
Issued	30,375	59,404
Issued in Lieu of Cash Distributions	2,820	2,603
Redeemed	(30,258)	(28,099)
Net Increase (Decrease) in Shares Outstanding	2,937	33,908

Target Retirement 2060 Fund

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

	Current Period Transactions							
	Sep. 30, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2021 Market Value (\$000)
Vanguard Market Liquidity Fund	101,900	NA <sup>1</sup>	NA <sup>1</sup>	—	—	38	—	75,205
Vanguard Total Bond Market II Index Fund	412,678	129,679	41,294	(602)	(22,552)	4,184	4,182	477,909
Vanguard Total International Bond Index Fund	166,074	29,655	—	—	(4,007)	798	271	191,722
Vanguard Total International Bond II Index Fund	—	10,002	—	—	1	2	—	10,003
Vanguard Total International Stock Index Fund	2,137,228	105,035	90,696	1,461	432,060	29,596	—	2,585,088
Vanguard Total Stock Market Index Fund	3,206,171	149,003	178,394	13,071	675,470	25,607	—	3,865,321
Total	6,024,051	423,374	310,384	13,930	1,080,972	60,225	4,453	7,205,248

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

G. Management has determined that no events or transactions occurred subsequent to March 31, 2021, that would require recognition or disclosure in these financial statements.

# Target Retirement 2065 Fund

## Underlying Vanguard Funds

As of March 31, 2021

Vanguard Total Stock Market Index Fund Investor Shares	55.0%
Vanguard Total International Stock Index Fund Investor Shares	35.4
Vanguard Total Bond Market II Index Fund Investor Shares	7.1
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 (unaudited)

## Schedule of Investments

As of March 31, 2021

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 (98.2%)</b>		
<b>U.S. Stock Fund (54.0%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	6,719,264	675,085
<b>International Stock Fund (34.7%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	21,563,390	433,855
<b>U.S. Bond Fund (7.0%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	7,955,199	87,428
<b>International Bond Fund (2.5%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	2,732,938	31,155
<b>Total Investment Companies</b> <b>(Cost \$990,371)</b>		<b>1,227,523</b>
<b>Temporary Cash Investments (1.7%)</b>		
<b>Money Market Fund (1.7%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.081% (Cost \$20,940)	209,405	20,940
<b>Total Investments (99.9%)</b> <b>(Cost \$1,011,311)</b>		<b>1,248,463</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>903</b>
<b>Net Assets (100%)</b>		<b>1,249,366</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 2065 Fund

---

Derivative Financial Instruments Outstanding as of Period End

---

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	June 2021	49	6,416	(163)
E-mini S&P 500 Index	June 2021	78	15,473	133
				(30)

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

# Statement of Assets and Liabilities

As of March 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$1,011,311)	1,248,463
Cash Collateral Pledged—Futures Contracts	880
Receivables for Investment Securities Sold	2,084
Receivables for Accrued Income	180
Receivables for Capital Shares Issued	2,959
Variation Margin Receivable—Futures Contracts	65
<b>Total Assets</b>	<b>1,254,631</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	180
Payables for Capital Shares Redeemed	5,085
<b>Total Liabilities</b>	<b>5,265</b>
<b>Net Assets</b>	<b>1,249,366</b>

At March 31, 2021, net assets consisted of:

Paid-in Capital	1,007,602
Total Distributable Earnings (Loss)	241,764
<b>Net Assets</b>	<b>1,249,366</b>

## Net Assets

Applicable to 43,458,576 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,249,366
<b>Net Asset Value Per Share</b>	<b>\$28.75</b>

# Statement of Operations

Six Months Ended  
March 31, 2021

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	9,448
<b>Net Investment Income— Note B</b>	<b>9,448</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	706
Affiliated Funds Sold	(244)
Futures Contracts	1,396
<b>Realized Net Gain (Loss)</b>	<b>1,858</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	163,561
Futures Contracts	(98)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>163,463</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>174,769</b>



## Statement of Changes in Net Assets

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	9,448	13,155
Realized Net Gain (Loss)	1,858	1,179
Change in Unrealized Appreciation (Depreciation)	163,463	61,484
Net Increase (Decrease) in Net Assets Resulting from Operations	174,769	75,818
<b>Distributions</b>		
Total Distributions	(16,724)	(9,765)
<b>Capital Share Transactions</b>		
Issued	437,757	602,188
Issued in Lieu of Cash Distributions	16,018	9,419
Redeemed	(226,661)	(233,506)
Net Increase (Decrease) from Capital Share Transactions	227,114	378,101
Total Increase (Decrease)	385,159	444,154
<b>Net Assets</b>		
Beginning of Period	864,207	420,053
End of Period	1,249,366	864,207

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31, 2021	Year Ended September 30,			July 12, 2017 <sup>1</sup> to September 30, 2017
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$24.52</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>	.243	.485	.529	.524	.150
Capital Gain Distributions Received <sup>2</sup>	.018	—	—	—	—
Net Realized and Unrealized Gain (Loss) on Investments	4.408	1.802	(.116)	1.496	.640
Total from Investment Operations	4.669	2.287	.413	2.020	.790
<b>Distributions</b>					
Dividends from Net Investment Income	(.400)	(.457)	(.363)	(.170)	—
Distributions from Realized Capital Gains	(.039)	—	.000 <sup>3</sup>	—	—
Total Distributions	(.439)	(.457)	(.363)	(.170)	—
<b>Net Asset Value, End of Period</b>	<b>\$28.75</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>19.13%</b>	<b>10.11%</b>	<b>2.09%</b>	<b>9.75%</b>	<b>3.95%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$1,249	\$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%	0.15% <sup>5</sup>
Ratio of Net Investment Income to Average Net Assets	1.78%	2.11%	2.42%	2.37%	3.30% <sup>5</sup>
Portfolio Turnover Rate	2%	6%	2%	1%	29%

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

1 Inception.

2 Calculated based on average shares outstanding.

3 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 six months ended March 31, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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 six months ended March 31, 2021, 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 March 31, 2021, 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 March 31, 2021, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

D. As of March 31, 2021, 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	1,011,526
Gross Unrealized Appreciation	239,830
Gross Unrealized Depreciation	(2,923)
Net Unrealized Appreciation (Depreciation)	236,907

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2021	Year Ended September 30, 2020
	Shares (000)	Shares (000)
Issued	15,897	26,715
Issued in Lieu of Cash Distributions	584	391
Redeemed	(8,271)	(10,367)
Net Increase (Decrease) in Shares Outstanding	8,210	16,739

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

	Current Period Transactions							Mar. 31, 2021 Market Value (\$000)
	Sep. 30, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	12,076	NA <sup>1</sup>	NA <sup>1</sup>	—	—	8	—	20,940
Vanguard Total Bond Market II Index Fund	61,058	36,260	6,007	(163)	(3,720)	684	666	87,428
Vanguard Total International Bond Index Fund	21,040	10,774	—	—	(659)	121	40	31,155
Vanguard Total International Stock Index Fund	304,083	66,555	217	(30)	63,464	4,497	—	433,855
Vanguard Total Stock Market Index Fund	466,752	116,868	12,960	(51)	104,476	4,138	—	675,085
Total	865,009	230,457	19,184	(244)	163,561	9,448	706	1,248,463

<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 March 31, 2021, that would require recognition or disclosure in these financial statements.

# Trustees Approve Advisory Arrangements

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

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

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

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

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

## **Nature, extent, and quality of services**

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

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

## **Investment performance**

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

## **Cost**

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

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

**The benefit of economies of scale**

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

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



# Liquidity Risk Management

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

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

The board of trustees of Vanguard Chester Funds approved the appointment of liquidity risk management program administrators responsible for administering the Program for Vanguard Target Retirement 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, and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2020, through December 31, 2020 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the funds’ liquidity risk.

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.



**Connect with Vanguard®** > [vanguard.com](https://www.vanguard.com)

**Fund Information** > 800-662-7447

**Direct Investor Account Services** > 800-662-2739

**Institutional Investor Services** > 800-523-1036

**Text Telephone for People  
Who Are Deaf or Hard of Hearing** > 800-749-7273

This material may be used in conjunction with the offering of shares of any Vanguard fund only if preceded or accompanied by the fund's current prospectus.

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, [www.sec.gov](https://www.sec.gov). In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or [www.sec.gov](https://www.sec.gov).

You can review information about your fund on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to [publicinfo@sec.gov](mailto:publicinfo@sec.gov).