Invest now to help make your retirement dreams a reality
What’s inside

The sooner you start, the better off you’ll be ..........................1
Chart your path to a comfortable retirement.................................2
Why Vanguard? ...........................................................................5
Choose the retirement account that’s right for you .........................6
  For individual investors ...........................................................6
  For self-employed individuals and small-business owners ............8
  For small and mid-size businesses in need of an easy-to-manage plan with recordkeeping services and administrative support .........................................................10
Get started with a Vanguard retirement account .........................11
The sooner you start, the better off you’ll be

Considering life’s priorities, you probably have several investment goals—paying a child’s college tuition, buying a first or second home, or even taking a special vacation.

Whatever your other objectives, your top priority should almost certainly be retirement. After all, you can borrow to help finance a house or a child’s education—or even to splurge on a trip. But no one is going to lend you money to finance your retirement.

In years past, many retirees relied heavily on Social Security and defined benefit pensions to pay their bills. When we retire, we’ll need to count on our own personal savings for a large share of our living expenses. And, thanks to healthier lifestyles and advances in medical care, those savings may need to last much longer than those of generations past.

Put the power of compounding to work for you

Tax-deferral can have a dramatic effect on the growth of your retirement savings. Let’s say two people invested in the same mutual fund, but one invested through a 401(k) plan and the other invested in a taxable account. To make the comparison fair, the ending balance in both accounts assumes the money was withdrawn and taxed at the appropriate tax rate. The taxable account was adjusted for the taxes owed on the growth—the capital gains rate of 15%; yearly distributions were taxed as they were realized. Notice the difference in account values as the years rolled on.

<table>
<thead>
<tr>
<th>Thousands</th>
<th>Pre-tax balance</th>
<th>Tax-adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,250</td>
<td>$1,036,226</td>
<td>$880,792</td>
</tr>
<tr>
<td>1,000</td>
<td>$841,913</td>
<td>$771,789</td>
</tr>
<tr>
<td>750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>250</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This hypothetical example assumes an annual contribution of $4,000 (adjusted to $2,880 for the taxable account) and a 6% annual total return, 3% of which came from income (and was taxed annually at 15% in the taxable account). It’s not representative of any particular investment. Hypothetical rates of return are not guaranteed.

The tax-deferred account grew to $1,036,226, or $880,792 when adjusted for taxes. The taxable account grew to $841,913, or $771,789 when adjusted for taxes.
Chart your path to a comfortable retirement

To be a successful investor, we believe you only need to understand a few key principles: Create clear investment goals, diversify your investments, minimize costs, and maintain your discipline long term. Keeping these principles in mind can help lead you to a comfortable retirement.

Just follow these four steps:

1. **Determine how much to save**

   How would you like to spend your retirement years? Experts say you’ll need roughly 70%–80% of your current annual income to live comfortably. Although you may get money from Social Security and possibly an employee pension, you’ll likely need to rely on personal savings for the bulk of your income. Our rule of thumb is to save 12%–15% of your annual income, usually in a tax-deferred retirement plan at work.

   **Consider your retirement costs**

   Your costs can be influenced by many factors, from everyday living expenses to health care to how often you plan to travel. And don’t overlook the effects of inflation on your savings. You may need more than you think to achieve a comfortable retirement.

   **Calculate your savings target**

   For help, visit vanguard.com/retirement. There you’ll find interactive tools and calculators that will project your current income, expenses, and assets to help you determine how much monthly income you’ll need in retirement and how much you’re currently on track to save. You’ll also get suggestions on additional steps you may need to take to reach your goal.

2. **Choose how and where to save**

   Here’s some information to get you started. To compare the types of accounts that Vanguard offers, see pages 5 through 9.

   **Maximize your employer plan contributions first**

   Generally speaking, it’s best to start saving for retirement through an employer-sponsored defined contribution plan, such as a traditional or Roth 401(k) or 403(b). These plans generally offer high contribution limits and a company match that can go far helping you reach your savings goal. Contribute as much as possible to the plan—at the very least, enough to receive any matching contributions that your employer may make. Only then should you consider investing in an IRA, taxable accounts, or other types of investments.
IRAs: The next stop after your plan

IRAs offer valuable tax advantages—plus investment flexibility—and more investment choices than a typical employer plan. Best of all, an IRA lets you save an additional $5,500 for tax years 2017 and 2018 ($6,500 if you’re age 50 or older). For a comparison of Roth and traditional IRAs, refer to page 6.

3. Select your investments

Your investing style is largely defined by how much risk and time you want to take with investments. A preset mix of funds can do most of the work for you. Or you can pick funds on your own or get help from a financial advisor.

Vanguard Target Retirement Funds—get a complete portfolio in a single, all-in-one mutual fund

Many investors find that target-date funds can remove a lot of the guesswork from retirement investing. That’s why Vanguard Target Retirement Funds are so popular. Simply choose the fund with a target year closest to when you want to retire, and the fund will automatically rebalance itself to become more conservative as your target date approaches. For more information, visit vanguard.com/target.

Handpick your own investments

If you’re a more self-directed investor who’d like to invest in a variety of funds or individual securities, you can use our detailed fund list at vanguard.com/mutualfunds to help you select a specific fund or funds for your retirement account. Be sure to take a look at your overall retirement portfolio to make sure your new IRA investment complements your current mix of stocks, bonds, and short-term reserves. If you already invest in an employer-sponsored 401(k) plan, for example, you should think about how the fund(s) you choose for your IRA will affect the risk level of your overall retirement portfolio.

Get an online fund recommendation

Maybe you don’t know how to allocate your assets among the different asset classes (stocks, bonds, and short-term reserves) according to your risk tolerance and age. Complete our short Investor Questionnaire at vanguard.com/allocation and you’ll immediately get a recommended asset allocation—along with specific Vanguard fund suggestions.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.
Get personal, professional investment advice
Perhaps you’d prefer to get help in choosing investments from a professional financial planner. Visit vanguard.com/advice to find out how you can get specific fund recommendations—along with an analysis of your retirement savings strategy.

4. Monitor your plan and adjust as necessary
Once your investments are in place, it’s important to review your plan regularly to make sure your asset mix is still appropriate for your risk tolerance. You may find that you’ll need to increase your savings to ensure you’ll reach your goals or possibly rethink your expectations for living in retirement.

Whether you like to manage your portfolio on your own, want professional guidance from time to time, or prefer an ongoing partnership with a financial advisor, Vanguard can give you the help you need for a better chance at investment success. For more information about our professional advice services, visit vanguard.com/advice.
Why Vanguard?

Where you invest matters just as much as how you invest. Here are six ways Vanguard stands out from the crowd.

Unique structure
People like you, our clients, own Vanguard. There are no stockholders to pay because we don’t have any. So with no one wedged between us, we get to focus on you, and you get to keep more of your returns.

High-quality funds
95% of our funds outperformed peer averages over the past decade.*

Low costs
On average, other companies’ mutual funds are five times more expensive than Vanguard’s.** And there are no sales loads and no commissions. An account service fee may apply.***

Investment choice
Choose from a wide array of options, including stock and bond funds, balanced funds, and target-date funds.

Simplicity
Investing for retirement shouldn’t be complicated. Whether you’re new to investing or know what you want, we have easy steps to help you pick your account and investments, open an IRA, or institute a retirement plan for your small business.

Stability
We’ve been around since 1975 and are now one of the world’s largest investment management companies.†

Vanguard is client-owned. As a client-owner, you own the funds that own Vanguard. Vanguard provides services to the Vanguard funds at cost.

*For the 10-year period ended September 30, 2017, 9 of 9 Vanguard money market funds, 55 of 58 Vanguard bond funds, 22 of 22 Vanguard balanced funds, and 128 of 137 Vanguard stock funds—for a total of 214 of 226 Vanguard funds—outperformed their Lipper peer-group average. Results will vary for other time periods. Only mutual funds with a minimum 10-year history were included in the comparison. Source: Lipper, a Thomson Reuters Company. Note that the competitive performance data shown represent past performance, which is not a guarantee of future results, and that all investments are subject to risks. For the most recent performance, visit our website at www.vanguard.com/performance.

**Vanguard average expense ratio: 0.12%. Industry average expense ratio: 0.62%. All averages are asset-weighted. Industry averages exclude Vanguard. Sources: Vanguard and Morningstar, Inc., as of December 31, 2016.

***Mutual fund-only accounts: $20 for each Vanguard mutual fund with an account balance of less than $10,000. Vanguard Brokerage Accounts: $20 for each account. Vanguard Brokerage Services assesses the fee if the total Vanguard assets [Vanguard mutual funds and ETFs] in the account are less than $10,000. See the Vanguard Brokerage Services commission and fee schedules for more information. This fee is waived for our Voyager, Voyager Select, Flagship, and Flagship Select clients, as well as for any client who elects to receive statements and other important information electronically.

†As of October 31, 2017, Vanguard managed about $4.8 trillion in global assets.
Choose the retirement account that’s right for you

Whether you’re an individual investor, self-employed, or the owner of a small business, we offer several types of tax-advantaged accounts that can help you save for or add to your retirement savings.

For individual investors

A Vanguard IRA® is a simple way to contribute to your retirement savings and manage the taxes you pay on your money. There are two main types of IRAs: traditional and Roth. Which IRA you choose depends on a few key factors, such as your taxes, earned income, and age. Use the chart below and on the next page to help you determine which type is better for you. For additional comparison information or to open a new account now, visit vanguard.com/ira.

Compare the Roth IRA with the traditional IRA

<table>
<thead>
<tr>
<th>Key differences</th>
<th>Roth IRA</th>
<th>Traditional IRA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contributions are made after taxes, and withdrawals are tax-free in retirement.</td>
<td>Contributions may be tax-deductible, and you’ll pay taxes when you make withdrawals in retirement.</td>
</tr>
<tr>
<td>Is there a minimum income limit?</td>
<td>Yes. In addition to being subject to IRS limits (see details on next page under “maximum amount”), the amount of your contribution can’t exceed the amount of income you earned that year. Also, if you’re married and filing a joint tax return, a spouse who isn’t working may still be able to contribute to an IRA. But the total contribution for both spouses can’t exceed the amount of income earned by the working spouse.</td>
<td>No.</td>
</tr>
<tr>
<td>Is there a maximum income limit?</td>
<td>Yes. Your modified adjusted gross income (MAGI) for the year may affect the amount you can contribute or—if high enough—make you ineligible. For details—including instructions on how to calculate your allowable contribution—visit irs.gov.</td>
<td>No.</td>
</tr>
<tr>
<td>Does it matter how old I am?</td>
<td>No. You can contribute at any age.</td>
<td>Yes. You must be under age 70½ to contribute.</td>
</tr>
</tbody>
</table>
Compare the Roth IRA with the traditional IRA (continued)

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Roth IRA</th>
<th>Traditional IRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much money do I need to open a Vanguard IRA?</td>
<td>$1,000 for any of the Vanguard Target Retirement Funds or for Vanguard STAR® Fund. $3,000 for most other Vanguard funds. (Some funds have higher minimum investment requirements.)</td>
<td>For Vanguard Target Retirement Funds or Vanguard STAR® Fund.</td>
</tr>
<tr>
<td>What’s the maximum amount I can contribute each year?</td>
<td>For the 2017 or 2018 tax year: If you’re under age 50: $5,500. If you’re age 50 or older: $6,500. May also be limited based on your income. See “maximum income limit” on previous page for details.</td>
<td>For the 2017 or 2018 tax year: If you’re under age 50: $5,500. If you’re age 50 or older: $6,500. There are no additional limits based on your income.</td>
</tr>
<tr>
<td>Can I deduct my contributions on my taxes?</td>
<td>No.</td>
<td>Possibly. If you or your spouse is already covered by a retirement plan at work, the amount of your deduction, if any, will depend on your income. For details, visit irs.gov.</td>
</tr>
</tbody>
</table>

**Withdrawals**

| Are there required minimum distributions?           | No, not during your lifetime.                                              | Yes, starting the year you reach age 70½.                |
| Will I pay taxes on withdrawals?                    | You’ll never pay taxes on withdrawals of your contributions. And you won’t pay taxes on withdrawals of your earnings as long as you take them after you’ve reached age 59½ and owned the account for at least 5 years.* | You’ll pay ordinary income tax on withdrawals of all earnings and on any contributions you originally deducted on your taxes. |
| What’s the penalty if I take a withdrawal before I reach age 59½? | There are no penalties on withdrawals of your contributions. There’s a 10% federal penalty tax on withdrawals of earnings unless an exception applies.** | There’s a 10% federal penalty tax on withdrawals of both contributions and earnings unless an exception applies.** |

*The 5-year holding period for Roth IRAs starts on the earlier of: (1) the date you first contributed directly to the IRA, (2) the date you rolled over a Roth 401(k) or Roth 403(b) to the Roth IRA, or (3) the date you converted a traditional IRA to the Roth IRA. If you’re under age 59½ and you have one Roth IRA that holds proceeds from multiple conversions, you’re required to keep track of the 5-year holding period for each conversion separately.

**Distributions received before you’re age 59½ may not be subject to the 10% federal penalty tax if the distribution is due to your disability or death; is distributed by a reservist who was ordered or called to active duty after September 11, 2001, for more than 179 days; or is for a first-time home purchase (lifetime maximum: $10,000), postsecondary education expenses, substantially equal periodic payments taken under IRS guidelines, certain unreimbursed medical expenses, an IRS levy on the IRA, or health insurance premiums (after you’ve received at least 12 consecutive weeks of unemployment compensation).

You may wish to consult a tax advisor about your situation.
For self-employed individuals and small-business owners

Let us simplify your retirement planning so you’ll have more time to focus on other priorities. We have a retirement plan to fit your needs and small-business specialists to provide you with exceptional service.

You can use the convenient Vanguard Small Business Online® to make plan contributions with minimal paperwork and phone calls, plus advanced security. And your employees can log on to vanguard.com to track the investments within their plan accounts.

To get started, visit vanguard.com/smallbusiness.

Compare the SEP-IRA, SIMPLE IRA, and Individual 401(k)

<table>
<thead>
<tr>
<th></th>
<th>SEP-IRA</th>
<th>SIMPLE IRA</th>
<th>Individual 401(k)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key advantages</strong></td>
<td>Works well for business owners who prefer to provide a retirement benefit to all employees (including themselves) by making employer contributions.</td>
<td>Great starter plan that encourages contributions from employees.</td>
<td>Excellent method to maximize tax deferral. Can contribute as employer and employee. Vanguard is one of the few investment companies to offer a Roth 401(k) option.</td>
</tr>
<tr>
<td><strong>Employers who can provide this option</strong></td>
<td>Any business that doesn’t currently maintain any other retirement plan.</td>
<td>Any business with 100 or fewer employees that doesn’t currently maintain any other retirement plan.</td>
<td>Sole proprietors or partners with no common-law employees.</td>
</tr>
<tr>
<td><strong>Employee eligibility and minimum coverage requirements</strong></td>
<td>Generally, employees must be allowed to participate if they’re 21 or older, earn at least $600 annually, and have worked for the same employer in at least three of the past five years.</td>
<td>No age restrictions. Employees must earn a minimum amount specified by the employer during any two preceding years, and expect to earn at least $5,000 in the current year.</td>
<td>No common-law employees. Otherwise, no age or service restrictions.</td>
</tr>
<tr>
<td><strong>Funding responsibility</strong></td>
<td>Generally, employer contributions only. Vanguard allows employers to use their SEP-IRA to make their personal IRA contributions as well—up to the annual IRS limit.</td>
<td>Employee salary reduction contributions and/or employer contributions.</td>
<td>Business owner can contribute as employer and/or employee.</td>
</tr>
<tr>
<td><strong>Contribution options</strong></td>
<td>Employer can decide whether or not to make contributions from year to year.</td>
<td>Employee can decide how much to contribute. Employer must make matching contributions, or must contribute 2% of each employee’s salary up to the set maximum.</td>
<td>Business owner can contribute as employer and/or employee.</td>
</tr>
</tbody>
</table>
Compare the SEP-IRA, SIMPLE IRA, and Individual 401(k) (continued)

<table>
<thead>
<tr>
<th></th>
<th>SEP-IRA</th>
<th>SIMPLE IRA</th>
<th>Individual 401(k)</th>
</tr>
</thead>
</table>
| **Employer contribution limits for 2017 and 2018** | Up to 25% of the participant’s compensation or a maximum of $54,000 for 2017 and $55,000 for 2018, whichever is less. Contributions are deductible as a business expense and aren’t required every year. | Option 1: Match up to the lesser of 3% of each employee’s compensation (can be reduced to as low as 1% in any two out of five years) or $12,500.  
Option 2: Contribute 2% of each eligible employee’s compensation up to $5,400 for 2017 and $5,500 for 2018. Contributions are deductible as a business expense and are required every year. | Employer plus employee contribution limit is $54,000 for 2017 and $55,000 for 2018 ($60,000 for 2017 and $61,000 for 2018 if the employee is age 50 or older).  
Overall employer limit is $54,000 for 2017 and $55,000 for 2018 or 100% of compensation, whichever is less. Contributions are deductible as a business expense and aren’t required every year. Maximum tax-deductible employer contribution is 25% of compensation. |
| **Employee contribution limits for 2017 and 2018** | A personal contribution of up to $5,500 ($6,500 for employees age 50 or older) into an individual traditional, Roth, or SEP-IRA. | $12,500 ($15,500 for employees age 50 or older). Employees aren’t required to contribute in any given year. | $18,500 ($24,500 for employees age 50 or older). Can’t exceed 100% of compensation. |
| **Investment choices** | Vanguard mutual funds, plus ETFs and individual securities through Vanguard Brokerage Services®. | Vanguard mutual funds. | Vanguard mutual funds. |
| **Withdrawals, loans, and payments** | An employee may initiate a withdrawal at any time, subject to current federal income taxes and a possible 10% penalty if the participant is under age 59½. | An employee may initiate a withdrawal at any time, subject to current federal income taxes. If under age 59½, employee may be subject to a 25% penalty if it’s taken within the first two years of participation and a possible 10% penalty if it’s taken after the first two years. | Can’t take withdrawals until a specified event such as reaching age 59½, death, separation from service, or other event as identified in the plan document.  
May permit hardship withdrawals, which may be subject to a 10% penalty if the participant is under age 59½.* |
| **Employer’s responsibilities** | May set up plan by completing Form 5305-SEP.  
No IRS reporting required. | May set up plan by completing Form 5304-SIMPLE or 5305-SIMPLE.  
No IRS reporting required.  
Bank or financial institution does most of the paperwork. | Program includes a prototype plan document and adoption agreement.  
Annual filing of Form 5500 may be required.  
Plan sponsors have various administrative and fiduciary responsibilities. |

*Vanguard’s Individual 401(k) program doesn’t offer loans.
For small and mid-size businesses in need of an easy-to-manage plan with recordkeeping services and administrative support

If you have a 401(k) plan or are looking to start one for your employees, Vanguard Retirement Plan Access™ can simplify your role and assist with your fiduciary responsibilities, leaving you more time to focus on running your business.

Working hand-in-hand with your third-party administrator, Vanguard Retirement Plan Access can help enhance your plan design for maximum efficiency, provide low-cost investments, offer administrative support, and provide participant education at a low, all-in cost.

You’ll also get help with compliance, easing your administrative burden and helping your participants stay on track for retirement.

For more information, visit vanguard.com/vrpa.
Get started with a Vanguard retirement account

Once you’ve chosen which type of IRA is best for you and have picked the investments for your account, you can open a Vanguard IRA in one of two ways:

• **Online (easiest way).** Simply go to [vanguard.com/ira](http://vanguard.com/ira) to get started.
• **By phone.** Call our investment consultants at 844-367-9097.

Transfer an existing IRA to Vanguard

It’s easier than you think to move an IRA from another company to Vanguard. Call an experienced Vanguard transfer specialist, who will take care of everything for you. That includes completing the paperwork and keeping an eye on your money as it moves through the process. When you call, make sure you have the most recent account statement for your IRA in hand.

Roll over a 401(k), 403(b), or other retirement plan account to a Vanguard IRA

When you left your old job, did you leave something behind? Give your retirement savings a fresh start by rolling over your 401(k) or 403(b) into a Vanguard IRA. We’ll make the process easy for you. We can fill out the forms and set up a conference call with you and the financial company where your assets are currently held. You’ll have some decisions to make, but we’re here to make it go as smoothly as possible. To get started, visit [vanguard.com/rollover](http://vanguard.com/rollover) or call one of our rollover specialists.
All investing is subject to risk, including the possible loss of the money you invest. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

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

Past performance is not a guarantee of future results.