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Great news! Your Target Retirement Fund will soon cost less to own

Vanguard is pleased to announce that in February, Vanguard Institutional Target Retirement Funds will be merging with the Vanguard Target Retirement Funds, meaning it will be less expensive for you to own these investments.

Why the change?

Vanguard continuously assesses its fund lineup and has a long history of making strategic changes to meet the evolving needs of its investors. The share class merger will further enhance Vanguard's industry-leading target-date investment lineup and is expected to return value to existing shareholders through lower costs.

Vanguard Target Retirement Funds are designed to provide investors with a professionally managed asset allocation in a simplified and straightforward manner. With their mix of stocks and bonds, they are complete portfolios in a single fund that can serve you now and throughout retirement.

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. The Income Fund has a fixed investment allocation and is designed for investors who are already retired. An investment in a Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Following is a comparison of the expense ratios for the current Vanguard Institutional Target Retirement Funds and the new Vanguard Target Retirement Funds.

Current Vanguard fund name	Current expense ratio*	New Vanguard fund name	New expense ratio
Institutional Target Retirement 2015 Fund	0.09%	Target Retirement 2015 Fund	0.08%
Institutional Target Retirement 2020 Fund	0.09%	Target Retirement 2020 Fund	0.08%
Institutional Target Retirement 2025 Fund	0.09%	Target Retirement 2025 Fund	0.08%
Institutional Target Retirement 2030 Fund	0.09%	Target Retirement 2030 Fund	0.08%
Institutional Target Retirement 2035 Fund	0.09%	Target Retirement 2035 Fund	0.08%
Institutional Target Retirement 2040 Fund	0.09%	Target Retirement 2040 Fund	0.08%
Institutional Target Retirement 2045 Fund	0.09%	Target Retirement 2045 Fund	0.08%
Institutional Target Retirement 2050 Fund	0.09%	Target Retirement 2050 Fund	0.08%
Institutional Target Retirement 2055 Fund	0.09%	Target Retirement 2055 Fund	0.08%
Institutional Target Retirement 2060 Fund	0.09%	Target Retirement 2060 Fund	0.08%
Institutional Target Retirement 2065 Fund	0.09%	Target Retirement 2065 Fund	0.08%
Institutional Target Retirement Income Fund	0.09%	Target Retirement Income Fund	0.08%

Current expense ratio source: Vanguard, as of September 30, 2021.

For more detailed information, see **How Your Money Will Move** at the end of this document.

For questions, reach out to your retirement plan's recordkeeper.

Sincerely,

Vanguard

Whenever you invest, there's a chance you could lose the money.

Before you invest, get the details. Consider the fund's objective, risks, charges, and expenses. The fund's prospectus (or summary prospectus, if available) will tell you these important facts and more. So read it carefully. To get one for any Vanguard fund, contact the company that sends your retirement plan statements.

*The expense ratio is what you pay each year to cover the cost of running the fund. To calculate it, fund operating costs are divided by the total amount of money in the fund. The expense ratio is deducted from the fund's return. You can find it in the current prospectus. With some funds, you may pay additional charges.

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How your money will move

Unless you take action by 4 p.m., Eastern time, on February 11, 2022, your retirement plan account balance will move, and contributions will be redirected, as shown in the following tables. By the time the merger occurs, expense ratios for Vanguard Target Retirement Funds are expected to decrease to 0.08%.

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance. Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance data for periods of less than one year do not reflect the deduction of redemption fees that may apply. All other performance data are adjusted for redemption fees, where applicable.

The performance data in the tables below, which we obtained from Morningstar, Inc., are as of September 30, 2021. A dash (—) appears when the information could not be obtained, does not exist, or does not apply. "Since inception" performance is not listed for funds more than ten years old.

				Performance					
From	Fund name	Fund type	Ticker symbol	Expense ratio ¹ as a % (per \$1,000)	1-Year	5-Year	10-Year	Since inception	Inception date
	Vanguard Institutional Target Retirement 2015 Fund (Inst)	Balanced	VITVX	0.09% (\$0.90)	9.65%	7.21%	—	6.38%	06/26/2015
To	Vanguard Target Retirement 2015 Fund	Balanced	VTXVX	0.12% (\$1.20)	9.49%	7.13%	7.87%	—	10/27/2003
	"To" Benchmark: Target Retirement 2015 Composite Index	—	—	—	9.78%	7.43%	8.10%	—	—
	Vanguard Institutional Target Retirement 2020 Fund (Inst)	Balanced	VITWX	0.09% (\$0.90)	13.43%	8.64%	—	7.47%	06/26/2015
To	Vanguard Target Retirement 2020 Fund	Balanced	VTWNX	0.13% (\$1.30)	13.37%	8.60%	9.11%	—	06/07/2006
	"To" Benchmark: Target Retirement 2020 Composite Index	—	—	—	13.65%	8.93%	9.39%	—	—
	Vanguard Institutional Target Retirement 2025 Fund (Inst)	Balanced	VRIVX	0.09% (\$0.90)	16.06%	9.68%	—	8.21%	06/26/2015
To	Vanguard Target Retirement 2025 Fund	Balanced	VTTVX	0.13% (\$1.30)	15.93%	9.61%	10.00%	—	10/27/2003
	"To" Benchmark: Target Retirement 2025 Composite Index	—	—	—	16.34%	9.99%	10.30%	—	—
	Vanguard Institutional Target Retirement 2030 Fund (Inst)	Balanced	VTTWX	0.09% (\$0.90)	18.40%	10.49%	—	8.74%	06/26/2015
To	Vanguard Target Retirement 2030 Fund	Balanced	VTHR X	0.14% (\$1.40)	18.29%	10.44%	10.78%	—	06/07/2006
	"To" Benchmark: Target Retirement 2030 Composite Index	—	—	—	18.70%	10.82%	11.07%	—	—
	Vanguard Institutional Target Retirement 2035 Fund (Inst)	Balanced	VITFX	0.09% (\$0.90)	20.70%	11.29%	—	9.26%	06/26/2015
To	Vanguard Target Retirement 2035 Fund	Balanced	VTT HX	0.14% (\$1.40)	20.60%	11.24%	11.54%	—	10/27/2003
	"To" Benchmark: Target Retirement 2035 Composite Index	—	—	—	21.09%	11.63%	11.83%	—	—

					Performance				
Fund name		Fund type	Ticker symbol	Expense ratio ¹ as a % (per \$1,000)	1-Year	5-Year	10-Year	Since inception	Inception date
From	Vanguard Institutional Target Retirement 2040 Fund (Inst)	Balanced	VIRSX	0.09% (\$0.90)	23.12%	12.08%	—	9.76%	06/26/2015
To	Vanguard Target Retirement 2040 Fund	Balanced	VFORX	0.14% (\$1.40)	23.00%	12.03%	12.08%	—	06/07/2006
	"To" Benchmark: Target Retirement 2040 Composite Index	—	—	—	23.51%	12.42%	12.40%	—	—
From	Vanguard Institutional Target Retirement 2045 Fund (Inst)	Balanced	VITLX	0.09% (\$0.90)	25.49%	12.65%	—	10.22%	06/26/2015
To	Vanguard Target Retirement 2045 Fund	Balanced	VTIVX	0.15% (\$1.50)	25.42%	12.62%	12.38%	—	10/27/2003
	"To" Benchmark: Target Retirement 2045 Composite Index	—	—	—	25.98%	13.01%	12.69%	—	—
From	Vanguard Institutional Target Retirement 2050 Fund (Inst)	Balanced	VTRLX	0.09% (\$0.90)	25.78%	12.70%	—	10.26%	06/26/2015
To	Vanguard Target Retirement 2050 Fund	Balanced	VFIFX	0.15% (\$1.50)	25.65%	12.66%	12.40%	—	06/07/2006
	"To" Benchmark: Target Retirement 2050 Composite Index	—	—	—	26.28%	13.07%	12.72%	—	—
From	Vanguard Institutional Target Retirement 2055 Fund (Inst)	Balanced	VIVLX	0.09% (\$0.90)	25.78%	12.72%	—	10.27%	06/26/2015
To	Vanguard Target Retirement 2055 Fund	Balanced	VFFVX	0.15% (\$1.50)	25.61%	12.65%	12.39%	—	08/18/2010
	"To" Benchmark: Target Retirement 2055 Composite Index	—	—	—	26.28%	13.07%	12.72%	—	—
From	Vanguard Institutional Target Retirement 2060 Fund (Inst)	Balanced	VILVX	0.09% (\$0.90)	25.79%	12.72%	—	10.27%	06/26/2015
To	Vanguard Target Retirement 2060 Fund	Balanced	VTTSX	0.15% (\$1.50)	25.60%	12.64%	—	11.31%	01/19/2012
	"To" Benchmark: Target Retirement 2060 Composite Index	—	—	—	26.28%	13.07%	—	—	—
From	Vanguard Institutional Target Retirement 2065 Fund (Inst)	Balanced	VSXFX	0.09% (\$0.90)	25.74%	—	—	12.07%	07/12/2017
To	Vanguard Target Retirement 2065 Fund	Balanced	VLXVX	0.15% (\$1.50)	25.59%	—	—	11.96%	07/12/2017
	"To" Benchmark: Target Retirement 2065 Composite Index	—	—	—	26.28%	—	—	—	—
From	Vanguard Institutional Target Retirement Income Fund (Inst)	Balanced	VITRX	0.09% (\$0.90)	8.59%	6.28%	—	5.81%	06/26/2015
To	Vanguard Target Retirement Income Fund	Balanced	VTINX	0.12% (\$1.20)	8.48%	6.22%	6.08%	—	10/27/2003
	"To" Benchmark: Target Retirement Income Composite Index	—	—	—	8.71%	6.49%	6.30%	—	—

Before you invest, get the details. Consider the fund's objective, risks, charges, and expenses. The fund's prospectus (or summary prospectus, if available) will tell you these important facts and more. So read it carefully. Call Vanguard at 800-523-1188 to get one. Or you can find one at vanguard.com.

Whenever you invest, there's a chance you could lose the money.

Target-date investments are subject to the risks of their underlying funds. The year in the investment name refers to the approximate year (the target date) when an investor would retire and leave the workforce. The investment will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. A target-date investment is not guaranteed at any time, including on or after the target date. Vanguard Target Retirement Income Fund and Income Trust and Vanguard Target Retirement Income and Growth Trust have fixed investment allocations and are designed for investors who are already retired. Investments in Vanguard LifeStrategy Funds are subject to the risks of their underlying funds.

U.S. Treasury investments and some U.S. government agency bonds are backed by the government, so it's highly likely that payments will be made on time. But their prices can still fall when interest rates go up. Bond funds are made up of IOUs, primarily from companies or governments. These funds risk losing value if the debt isn't repaid on time. Also, bond prices can drop when interest rates rise or the issuer's reputation suffers. PIMCO Total Return Fund uses financial contracts called derivatives to try to reduce risk and improve returns. But derivatives have risks of their own. These include the chance that the fund manager will misjudge the direction of the market or that the fund can't exit the contracts at the best time. It's possible for the fund to lose all of the money invested in derivatives—and more. High-yield ("junk") bonds come from borrowers more likely to default on loans than borrowers with better credit ratings. These bonds tend to pay higher interest rates to offset their higher risk. Small- and mid-cap funds are made up of the stocks of small and medium-sized companies. These companies have fewer financial resources than larger companies. Because of that, their stock prices can be more affected by swings in the economy. Non-U.S. stocks or bonds have risks tied to the political and economic stability of their country or region. And if the value of the foreign currency falls, the value of the stocks or bonds would also fall. In emerging markets (less developed countries), these risks may be even greater. Funds that focus on a narrow part of the economy—for example, real estate or health care—can fluctuate sharply in price. This makes them riskier than broadly based stock funds. ESG stands for Environmental/Social/Governance. ESG funds invest in companies that are screened for such things as their industries, business practices, "social responsibility," or other factors. But this approach comes with risks for investors. The set of investments tends to be subjective and narrow, so the fund may not perform as well as the market as a whole. It may also not perform as well as other ESG funds. Keep in mind that there's no standard for what makes a company ESG. Definitions can vary among funds, fund managers, and investors. This means the companies that make up a particular ESG fund may not reflect your values as an investor or even show favorable ESG qualities.

As its name suggests, a stable value investment tries to keep its share price constant. But this is not guaranteed, and it's possible to lose money with an investment like this. Unlike bank savings accounts, this investment is not insured by the U.S. government. It's also not insured by your employer or Vanguard.

Collective trusts (including Vanguard Retirement Savings Trust and Vanguard Target Retirement Trusts), separately managed accounts (SMAs), and stable value investments are not mutual funds. These types of investments are offered only in retirement plans like yours. Before you invest in one, get the details. Know and carefully consider the objective, risks, charges, and expenses. Vanguard Fiduciary Trust Company manages the Vanguard collective trusts.

The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

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¹The cost of running the fund, expressed as a percentage of the fund's assets, as of the most recent prospectus. For Vanguard Target Retirement Funds, Vanguard LifeStrategy Funds and Vanguard STAR Fund, this figure is an average weighted expense ratio, based on expenses incurred by the Vanguard funds that make up each fund. For any fund in existence for less than one year, the expense ratio is the projected cost of running the fund. This data is as of September 30, 2021. Source: Morningstar, Inc.

²Money market yields more closely reflect the current earnings of a money market fund than the average annual total returns of such a fund.

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