



# Vanguard Target Retirement 2030 Fund

Balanced fund (stocks and bonds)

## Investment objective

Vanguard Target Retirement 2030 Fund seeks to provide capital appreciation and current income consistent with its current asset allocation.

## Investment strategy

The fund invests in Vanguard mutual funds using an asset allocation strategy designed for investors planning to retire between 2028 and 2032. The fund's asset allocation will become more conservative over time. Within seven years after 2030, the fund's asset allocation should resemble that of the Target Retirement Income Fund. The underlying funds are: Vanguard Total Bond Market II Index Fund, Vanguard Total Stock Market Index Fund, Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund.

The fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, mid- and small-cap U.S. stocks and international stocks. Its indirect bond holdings are a diversified mix of investment-grade taxable U.S. government, U.S. agency, and corporate bonds, as well as mortgage-backed securities, all with maturities of more than 1 year.

See reverse side for Fund Profile.

*Note on frequent trading restrictions: Frequent trading policies may apply to those funds offered as investment options within your plan. Please log on to Vanguard.com for your employer plans or contact Participant Services at 800-523-1188 for additional information.*

## Who should invest

- Investors seeking both a reasonable level of income and long-term growth of capital and income.
- Investors seeking a simple way to achieve a broadly diversified holding of stocks and bonds that will gradually become more conservative in its allocation.
- Investors seeking to retire between 2028 and 2032.

## Who should not invest

- Investors unwilling to accept significant fluctuations in share price.
- Investors seeking maximum long-term growth of capital.
- Investors expecting a guaranteed level of income upon retirement.

**Total net assets:** \$3,106 million

**Expense ratio:** 0.19%\*  
as of September 30, 2008

**Ticker symbol:** VTNRX

**Newspaper listing:** TgtRe2030

**Inception date:** June 7, 2006

**Fund number:** 0695

**Overall risk level:**



## Performance

Annual returns 2006–2008



## Total returns

	Periods Ended June 30, 2009				
	Quarter	Year to Date	One Year	Three Years	Since Inception
Target Retirement 2030 Fund	16.23%	5.53%	-22.07%	-5.30%	-4.62%
Target 2030 Composite Index	16.25%	5.68%	-22.50%	-5.41%	-4.73%

**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 [www.vanguard.com/performance](http://www.vanguard.com/performance).**

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Target 2030 Composite Index: Derived by applying the fund's target asset allocation to the results of the following benchmarks: for international stocks of developed markets, the MSCI EAFE Index; for emerging markets stocks, the Select Emerging Markets Index from inception through August 23, 2006, and the MSCI Emerging Markets Index thereafter; for bonds, the Barclays Capital U.S. Aggregate Bond Index and the Barclays Capital U.S. Treasury Inflation Protected Securities Index; for short-term reserves, the Citigroup 3-Month Treasury Bill Index; and for U.S. stocks, the Dow Jones Wilshire 5000 Index from inception through April 22, 2005, and the MSCI US Broad Market Index thereafter. MSCI EAFE Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

\*The acquired fund fees and expenses of the underlying funds.

\*\*Partial return since fund started, June 7, 2006.

# Vanguard Target Retirement 2030 Fund

## Plain talk about risk

The fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. However, based on the fund's current allocation between stocks and the less volatile asset class of bonds, the fund's overall level of risk should be higher than those funds that invest the majority of their assets in bonds, but lower than those investing entirely in stocks. As the fund's allocation between underlying funds gradually changes, the fund's overall level of risk also will decline. In addition to the risks inherent in the asset classes of the underlying funds, the fund also is subject to *asset allocation risk*, which is the chance that the selection of underlying funds and the allocation of fund assets will cause the fund to underperform other funds with a similar investment objective. For further details on all risks, please refer to the fund's prospectus.

## Investment terms

**Bond:** A debt security (IOU) issued by a corporation, government, or government agency in exchange for the money the bondholder lends it. In most instances, the issuer agrees to pay back the loan by a specific date and make regular interest payments until that date.

**Dividends:** A payment of cash or stock from a company's earnings to each stockholder as declared by the company's board of directors.

**Expenses:** The costs of running a fund, expressed as a percentage of the fund's assets. For example, a fund may have expenses that total 0.30% (less than half of 1%) of its assets.

**Interest:** Payments made by a company, a government, or a government agency to investors who lend them money. For example, an investor buys a bond from a company, which agrees to pay back the loan by a certain date at a set rate.

**Mutual fund:** An investment company that pools the money of many shareholders and invests it in a variety of securities in an effort to achieve a specific objective over time.

**Total return:** The change in the net asset value of an investment, assuming reinvestment of all dividend and capital gain distributions.

## Fund profile

as of June 30, 2009

### Allocation of underlying Vanguard funds<sup>†</sup>

Vanguard Total Stock Market Index Fund	67.3%
Vanguard Total Bond Market II Index Fund	16.0
Vanguard European Stock Index Fund	8.5
Vanguard Pacific Stock Index Fund	4.5
Vanguard Emerging Markets Stock Index Fund	3.7

<sup>†</sup>Fund holdings are subject to change.

For more information about Vanguard funds, visit [www.vanguard.com](http://www.vanguard.com), or call 800-523-1188, to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.