

Vanguard Balanced Index Fund

Balanced fund (stocks and bonds) | Admiral™ Shares

Fund facts

| | | | | | | | | | | |
|----------------------------|---|---|---|---|------------------|------------------------------|---------------|---------------|----------------|-------------|
| Risk level Low ← → High | | | | | Total net assets | Expense ratio as of 04/29/22 | Ticker symbol | Turnover rate | Inception date | Fund number |
| 1 | 2 | 3 | 4 | 5 | \$38,333 MM | 0.07% | VBIAX | 34.5% | 11/13/00 | 0502 |

Investment objective

Vanguard Balanced Index Fund seeks—with 60% of its assets—to track the investment performance of a benchmark index that measures the investment return of the overall U.S. stock market. With 40% of its assets, the fund seeks to track the investment performance of a broad, market-weighted bond index.

Investment strategy

The fund employs a “passive management”—or indexing—investment approach designed to track the performance of two benchmark indexes. The fund invests by sampling its target indexes, meaning that it holds a range of securities that, in the aggregate, approximate the full indexes in terms of key characteristics. With 60% of its assets, the fund seeks to track the investment performance of the CRSP US Total Market Index, which represents nearly 100% of the investable U.S. Stock market covering large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and NASDAQ. The fund typically holds the largest 1,200–1,300 stocks in the CRSP US Total Market Index and a representative sample of the remainder of the index. With 40% of its assets, the fund seeks to track the investment performance of the Bloomberg U.S. Aggregate Float Adjusted Bond Index, which measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. At least 80% of the bond portion of the fund is invested in bonds held in the Bloomberg U.S. Aggregate Bond Index, and all of the fund’s bond holdings are selected through the sampling process. The bond portion of the fund maintains a dollar-weighted average maturity consistent with that of the index, which ranges between 5 and 10 years.

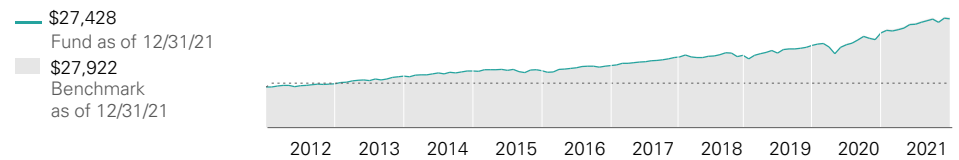
For the most up-to-date fund data, please scan the QR code below.



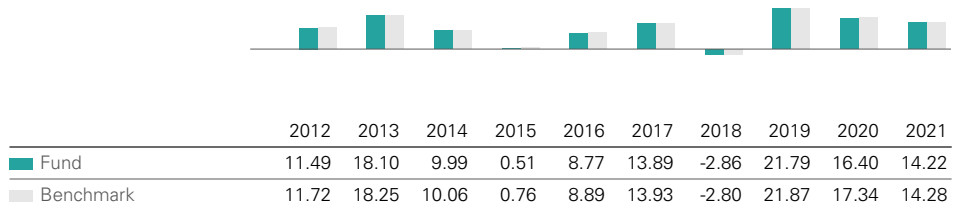
Benchmark

Balanced Composite Index

Growth of a \$10,000 investment: January 31, 2012—December 31, 2021



Annual returns



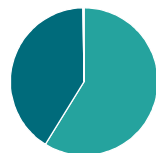
Total returns

| | Periods ended June 30, 2022 | | | | | |
|-----------|-----------------------------|--------------|----------|-------------|------------|-----------|
| | Quarter | Year to date | One year | Three years | Five years | Ten years |
| Fund | -12.14% | -17.05% | -12.52% | 5.72% | 6.92% | 8.23% |
| Benchmark | -11.98% | -16.83% | -12.23% | 6.13% | 7.20% | 8.45% |

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](https://www.vanguard.com/performance). The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

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.

Fund allocation



| | | | |
|-------|-------|---------------------|-----|
| Stock | 58.8% | Short-Term Reserves | 0.3 |
| Bond | 40.9 | | |

Balanced Composite Index: Weighted 60% Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) and 40% Lehman Brothers U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter.

Vanguard Balanced Index Fund

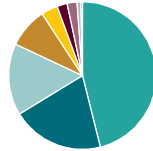
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Ten largest holdings*

| | | |
|---------------------------------|-------------------------|-------|
| 1 | Apple Inc. | |
| 2 | Microsoft Corp. | |
| 3 | Alphabet Inc. | |
| 4 | Amazon.com Inc. | |
| 5 | Tesla Inc. | |
| 6 | UnitedHealth Group Inc. | |
| 7 | Berkshire Hathaway Inc. | |
| 8 | Johnson & Johnson | |
| 9 | Meta Platforms Inc. | |
| 10 | Exxon Mobil Corp. | |
| Top 10 as % of total net assets | | 13.9% |

* The holdings listed exclude any temporary cash investments and equity index products.

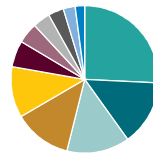
Distribution by issuer—bonds



| | |
|-----------------|-------|
| Treasury/Agency | 46.1% |
| Government | 20.2 |
| Industrial | 15.7 |
| Finance | 8.8 |
| Foreign | 3.6 |

| | |
|----------------------------|-----|
| Commercial Mortgage-Backed | 2.2 |
| Utilities | 2.2 |
| Other | 0.8 |
| Asset-Backed | 0.4 |

Sector Diversification



| | |
|------------------------|-------|
| Technology | 25.8% |
| Health Care | 14.3 |
| Consumer Discretionary | 13.8 |
| Industrials | 12.7 |
| Financials | 11.2 |
| Consumer Staples | 5.8 |

| | |
|--------------------|-----|
| Energy | 4.5 |
| Real Estate | 3.8 |
| Utilities | 3.4 |
| Telecommunications | 2.6 |
| Basic Materials | 2.1 |
| Other | 0.0 |

Sector categories are based on the Industry Classification Benchmark system ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period.

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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, because stock and bond prices can move in different directions or to different degrees, the fund's bond and short-term investment holdings may counteract some of the volatility experienced by the fund's stock holdings. The fund's performance could be hurt by:

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies.

Interest rate risk: The chance that bond prices will decline because of rising interest rates.

Income risk: The chance that the fund's income will decline because of falling interest rates.

Call risk: The chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income.

Credit risk: The chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the fund because it purchases only bonds that are of investment-grade quality.

Index sampling risk: The chance that the securities selected for the fund, in the aggregate, will not provide investment performance matching that of the index. Index sampling risk for the fund should be low.

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](https://www.vanguard.com) for your employer plans or contact Participant Services at 800-523-1188 for additional information.

For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you.

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Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value