



**Vanguard®**



**Annual Report** | October 31, 2017

## Vanguard LifeStrategy® Funds

Vanguard LifeStrategy Income Fund

Vanguard LifeStrategy Conservative Growth Fund

Vanguard LifeStrategy Moderate Growth Fund

Vanguard LifeStrategy Growth Fund

# Vanguard's Principles for Investing Success

We want to give you the best chance of investment success. These principles, grounded in Vanguard's research and experience, can put you on the right path.

**Goals.** Create clear, appropriate investment goals.

**Balance.** Develop a suitable asset allocation using broadly diversified funds.

**Cost.** Minimize cost.

**Discipline.** Maintain perspective and long-term discipline.

A single theme unites these principles: Focus on the things you can control. We believe there is no wiser course for any investor.

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Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus.

See the Glossary for definitions of investment terms used in this report.

**About the cover:** Nautical images have been part of Vanguard's rich heritage since its start in 1975. For an incoming ship, a lighthouse offers a beacon and safe path to shore. You can similarly depend on Vanguard to put you first—and light the way—as you strive to meet your financial goals. Our client focus and low costs, stemming from our unique ownership structure, assure that your interests are paramount.

# Your Fund's Performance at a Glance

- Vanguard's four LifeStrategy Funds provide a broadly diversified portfolio within a single fund. Each fund has a different fixed allocation to underlying U.S. and international stock and bond index funds.
- For the 12 months ended October 31, 2017, returns for the LifeStrategy Funds ranged from 5.12% for the LifeStrategy Income Fund, which has the largest allocation to bonds, to 18.91% for the LifeStrategy Growth Fund, which has the largest allocation to stocks.
- Each fund performed in line with its composite benchmark after expenses. All the funds trailed the average return of their peer groups over the 12-month period but outperformed over the ten-year period.
- Of the funds' four underlying investments, U.S. stocks performed best, returning about 24%. International stocks returned more than 23%. U.S. and international bonds posted returns of about 1%. Results for non-U.S. bonds included the effect of currency hedging.

## Total Returns: Fiscal Year Ended October 31, 2017

	Total Returns
Vanguard LifeStrategy Income Fund	5.12%
Income Composite Index	5.33
Income Composite Average	6.55
Income Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	
Vanguard LifeStrategy Conservative Growth Fund	9.61%
Conservative Growth Composite Index	9.73
Conservative Growth Composite Average	10.55
Conservative Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	
Vanguard LifeStrategy Moderate Growth Fund	14.14%
Moderate Growth Composite Index	14.29
Moderate Growth Composite Average	14.68
Moderate Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	
Vanguard LifeStrategy Growth Fund	18.91%
Growth Composite Index	19.01
Growth Composite Average	18.94
Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	

For a benchmark description, see the Glossary.

## Total Returns: Ten Years Ended October 31, 2017

	Average Annual Return
LifeStrategy Income Fund	4.04%
Income Composite Index	4.77
Income Composite Average	3.96
Income Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	
LifeStrategy Conservative Growth Fund	4.45%
Conservative Growth Composite Index	5.13
Conservative Growth Composite Average	4.25
Conservative Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	
LifeStrategy Moderate Growth Fund	4.89%
Moderate Growth Composite Index	5.63
Moderate Growth Composite Average	4.76
Moderate Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	
LifeStrategy Growth Fund	4.99%
Growth Composite Index	5.77
Growth Composite Average	4.86
Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.	

For a benchmark description, see the Glossary.

The figures shown represent past performance, which is not a guarantee of future results. (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](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost.

## Expense Ratios

Your Fund Compared With Its Peer Group

	Acquired Fund Fees and Expenses	Peer Group Average
LifeStrategy Income Fund	0.12%	0.90%
LifeStrategy Conservative Growth Fund	0.13	0.97
LifeStrategy Moderate Growth Fund	0.14	1.05
LifeStrategy Growth Fund	0.15	1.12

The fund expense figures shown—drawn from the prospectus dated February 23, 2017—represent an estimate of the weighted average of the expense ratios and any transaction fees charged by the underlying mutual funds (the "acquired" funds) in which the LifeStrategy Funds invest. The LifeStrategy Funds do not charge any expenses or fees of their own. For the fiscal year ended October 31, 2017, the annualized acquired fund fees and expenses were 0.11% for the LifeStrategy Income Fund, 0.12% for the LifeStrategy Conservative Growth Fund, 0.13% for the LifeStrategy Moderate Growth Fund, and 0.14% for the LifeStrategy Growth Fund.

Peer groups are the composites listed on page 1. Their expense figures are derived by applying the appropriate allocations to average expense ratios of these mutual fund peer groups: fixed income funds, general equity funds, and international funds. Average expense ratios for these groups are derived from data provided by Lipper, a Thomson Reuters Company, and capture information through year-end 2016.

# Chairman's Perspective



**Bill McNabb**  
Chairman and Chief Executive Officer

Dear Shareholder,

When I find outstanding products or services, I'm likely to be loyal to them. And my loyalty usually gets rewarded as I experience consistently high quality—whether it's from a favorite restaurant or a favorite author. What's past, in most cases, is prologue.

As tempting as it is to apply this rationale to investing—for example, if technology stocks have done well this year, they're bound to do well the next—it's not all that helpful and can actually be counter-productive. You've heard it many times: Past performance cannot be used to predict future returns.

## **Taking a new approach**

The caution about past performance is so familiar that investors are apt to treat it as mere background noise. That's why past-performance bias merited a fresh look from Vanguard's Investment Strategy Group, which tackled the issue last year in a research paper. (I encourage you to read the full paper, *Reframing Investor Choices: Right Mindset, Wrong Market*, at [vanguard.com/research](http://vanguard.com/research).)

Our strategists were hardly the first to delve into the topic, but they approached it in a new way. They started with the premise that it's perfectly understandable for investors to lean heavily on past performance, because that works well in many areas of life. After all, as the paper describes, in lots of other industries and realms, performance from one time period

to another is extremely consistent. The researchers looked at everything from cars to fine restaurants to heart surgeons, and in all these examples, past performance was a good predictor of later outcomes.

### It's different with investing

In a nutshell, our brains typically are rewarded and our satisfaction is boosted when we use past performance as a guide for navigating decisions, big and small. But when applied to investing, this method breaks down.

Why? Among other reasons, top-performing asset classes one year tend not to repeat as leaders the next. Strong past performance leads to higher

valuations, making an investment, all else being equal, less attractive in the future. The data are quite overwhelming in this regard.

By allowing past performance to inform their decisions, individual and institutional investors inadvertently end up as momentum investors, putting them on a treadmill of buying high and selling low.

### A path to better decision-making

Of course, many investors are already aware of the pitfalls of projecting past performance into the future. The real question is, what can we all do about it? What does it take to go from having a general awareness to actually changing our behavior?

## Market Barometer

	Average Annual Total Returns Periods Ended October 31, 2017		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	23.67%	10.58%	15.18%
Russell 2000 Index (Small-caps)	27.85	10.12	14.49
Russell 3000 Index (Broad U.S. market)	23.98	10.53	15.12
FTSE All-World ex US Index (International)	23.48	6.12	7.67
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	0.90%	2.40%	2.04%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	2.19	3.04	3.00
Citigroup Three-Month U.S. Treasury Bill Index	0.71	0.31	0.20
<b>CPI</b>			
Consumer Price Index	2.04%	1.28%	1.29%

Acknowledging that such change isn't easy, our strategists offered a few ideas for reframing how investors approach their decisions. These recommendations were targeted at advisors working with clients, but they apply equally to individuals and institutions:

- **Educate yourself.** The more investors understand why a method that works so well in other areas of life—relying on past performance to drive decisions—doesn't carry over to investing, the better off they'll be.
- **Be disciplined.** The bias toward past performance is ingrained in everybody, professionals included, and shifting away from it can be difficult. But the long-term benefits make the effort worthwhile.

- **Focus on what you can control.** It's always most constructive for investors to concentrate on what's actually within their control, such as setting goals, following long-term portfolio construction principles, selecting low-cost investments, and rebalancing periodically.

Here's to keeping the past in the rearview mirror. And, as always, thank you for investing with Vanguard.

Sincerely,

A handwritten signature in black ink that reads "F. William McNabb III". The signature is written in a cursive style with a large, sweeping initial "F" and a stylized "III" at the end.

F. William McNabb III  
Chairman and Chief Executive Officer  
November 14, 2017

# LifeStrategy Income Fund

## Fund Profile

As of October 31, 2017

### Total Fund Characteristics

Ticker Symbol	VASIX
30-Day SEC Yield	2.03%
Acquired Fund Fees and Expenses <sup>1</sup>	0.12%

### Allocation to Underlying Vanguard Funds

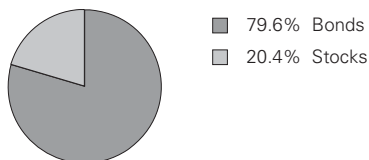
Vanguard Total Bond Market II Index Fund Investor Shares	56.0%
Vanguard Total International Bond Index Fund Investor Shares	23.6
Vanguard Total Stock Market Index Fund Investor Shares	12.2
Vanguard Total International Stock Index Fund Investor Shares	8.2

### Total Fund Volatility Measures

	Income Composite Index	Bloomberg Barclays US Aggregate Bond Index
R-Squared	0.99	0.51
Beta	1.00	0.75

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

### Fund Asset Allocation



<sup>1</sup> This figure—drawn from the prospectus dated February 23, 2017—represents an estimate of the weighted average of the expense ratios and any transaction fees charged by the underlying mutual funds (the “acquired” funds) in which the LifeStrategy Income Fund invests. The LifeStrategy Income Fund does not charge any expenses or fees of its own. For the fiscal year ended October 31, 2017, the annualized acquired fund fees and expenses were 0.11%.

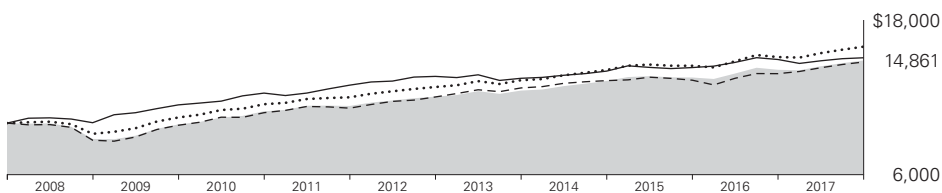


## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: October 31, 2007, Through October 31, 2017

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended October 31, 2017

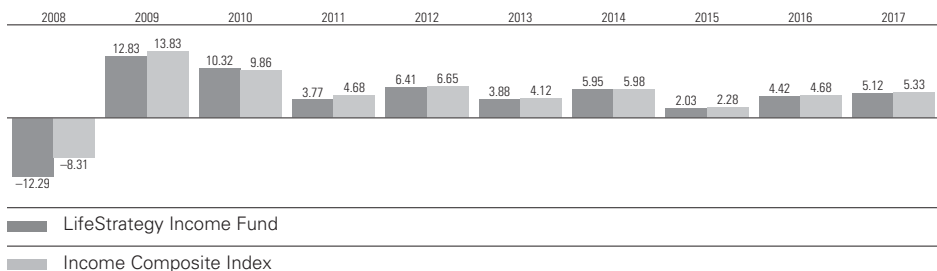
	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
LifeStrategy Income Fund	5.12%	4.27%	4.04%	\$14,861
Income Composite Index	5.33	4.47	4.77	15,931
Income Composite Average	6.55	4.15	3.96	14,742
Bloomberg Barclays U.S. Aggregate Bond Index	0.90	2.04	4.19	15,070

For a benchmark description, see the Glossary.

Income Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.

See Financial Highlights for dividend and capital gains information.

Fiscal-Year Total Returns (%): October 31, 2007, Through October 31, 2017



For a benchmark description, see the Glossary.

Average Annual Total Returns: Periods Ended September 30, 2017

This table presents returns through the latest calendar quarter—rather than through the end of the fiscal period. Securities and Exchange Commission rules require that we provide this information.

	Inception Date	One Year	Five Years	Ten Years		
				Income	Capital	Total
LifeStrategy Income Fund	9/30/1994	3.28%	4.12%	2.67%	1.43%	4.10%

## Financial Statements

### Statement of Net Assets

As of October 31, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)
<b>Investment Companies (100.0%)</b>		
<b>U.S. Stock Fund (12.2%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	7,969,902	513,182
<b>International Stock Fund (8.2%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	19,275,541	345,225
<b>U.S. Bond Fund (56.0%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	219,471,954	2,354,934
<b>International Bond Fund (23.6%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	90,595,172	992,923
<b>Total Investment Companies (Cost \$3,773,404)</b>		<b>4,206,264</b>
<b>Temporary Cash Investment (0.0%)</b>		
<b>Money Market Fund (0.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 1.246% (Cost \$1)	5	1
<b>Total Investments (100.0%) (Cost \$3,773,405)</b>		<b>4,206,265</b>
<b>Other Assets and Liabilities (0.0%)</b>		
Other Assets		14,367
Liabilities		(12,926)
		<b>1,441</b>
<b>Net Assets (100%)</b>		
Applicable to 270,369,050 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)		<b>4,207,706</b>
<b>Net Asset Value Per Share</b>		<b>\$15.56</b>

	Amount (\$000)
<b>Statement of Assets and Liabilities</b>	
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Vanguard Funds	4,206,265
Receivables for Investment Securities Sold	5,280
Receivables for Accrued Income	5,622
Receivables for Capital Shares Issued	3,465
<b>Total Assets</b>	<b>4,220,632</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	10,421
Payables for Units Redeemed	1,717
Other Liabilities	788
<b>Total Liabilities</b>	<b>12,926</b>
<b>Net Assets</b>	<b>4,207,706</b>

## At October 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	3,761,309
Undistributed Net Investment Income	8,409
Accumulated Net Realized Gains	5,128
Unrealized Appreciation (Depreciation)	432,860
<b>Net Assets</b>	<b>4,207,706</b>

• See Note A in Notes to Financial Statements.

1 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.

# Statement of Operations

Year Ended  
October 31, 2017

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	85,886
<b>Net Investment Income—Note B</b>	<b>85,886</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	2,171
Affiliated Investment Securities Sold	6,908
<b>Realized Net Gain (Loss)</b>	<b>9,079</b>
<b>Change in Unrealized Appreciation (Depreciation) of Investment Securities</b>	<b>104,791</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>199,756</b>

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

## Statement of Changes in Net Assets

	Year Ended October 31,	
	2017 (\$000)	2016 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	85,886	74,067
Realized Net Gain (Loss)	9,079	3,221
Change in Unrealized Appreciation (Depreciation)	104,791	73,757
Net Increase (Decrease) in Net Assets Resulting from Operations	199,756	151,045
<b>Distributions</b>		
Net Investment Income	(85,886)	(72,597)
Realized Capital Gain <sup>1</sup>	(2,149)	(13,072)
Total Distributions	(88,035)	(85,669)
<b>Capital Share Transactions</b>		
Issued	1,035,426	966,257
Issued in Lieu of Cash Distributions	82,406	80,633
Redeemed	(836,059)	(636,041)
Net Increase (Decrease) from Capital Share Transactions	281,773	410,849
Total Increase (Decrease)	393,494	476,225
<b>Net Assets</b>		
Beginning of Period	3,814,212	3,337,987
End of Period <sup>2</sup>	4,207,706	3,814,212

<sup>1</sup> Includes fiscal 2017 and 2016 short-term gain distributions totaling \$1,599,000 and \$2,254,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

<sup>2</sup> Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$8,409,000 and \$8,222,000.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$15.14</b>	<b>\$14.86</b>	<b>\$14.93</b>	<b>\$14.47</b>	<b>\$14.73</b>
<b>Investment Operations</b>					
Net Investment Income	.332 <sup>1</sup>	.312	.309	.307	.294
Capital Gain Distributions Received	.008 <sup>1</sup>	.012	.012	.004	.064
Net Realized and Unrealized Gain (Loss) on Investments	.422	.323	(.021)	.535	.189
<b>Total from Investment Operations</b>	<b>.762</b>	<b>.647</b>	<b>.300</b>	<b>.846</b>	<b>.547</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.334)	(.309)	(.309)	(.303)	(.293)
Distributions from Realized Capital Gains	(.009)	(.058)	(.061)	(.083)	(.514)
Total Distributions	(.343)	(.367)	(.370)	(.386)	(.807)
<b>Net Asset Value, End of Period</b>	<b>\$15.56</b>	<b>\$15.14</b>	<b>\$14.86</b>	<b>\$14.93</b>	<b>\$14.47</b>
<b>Total Return<sup>2</sup></b>	<b>5.12%</b>	<b>4.42%</b>	<b>2.03%</b>	<b>5.95%</b>	<b>3.88%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$4,208	\$3,814	\$3,338	\$3,106	\$2,904
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.11%	0.12%	0.12%	0.14%	0.14%
Ratio of Net Investment Income to Average Net Assets	2.18%	2.09%	2.08%	2.10%	2.04%
Portfolio Turnover Rate	4%	4%	14%	12%	25%

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> 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 LifeStrategy Income 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 on [vanguard.com](http://vanguard.com).

**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. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (October 31, 2014–2017), and has concluded that no provision for federal income tax is required in the fund's financial statements.
3. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.
4. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at October 31, 2017, or at any time during the period then ended.

5. **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 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 October 31, 2017, 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. 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 valued with significant unobservable inputs are noted on the Statement of Net Assets.

At October 31, 2017, 100% of the market value of the fund's investments was determined based on Level 1 inputs.

D. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

The fund used a tax accounting practice to treat a portion of the price of capital shares redeemed during the year as distributions from net investment income and realized capital gains. Accordingly, the fund has reclassified \$2,192,000 from accumulated net realized gains to paid-in capital.

For tax purposes, at October 31, 2017, the fund had \$11,263,000 of ordinary income and \$2,497,000 of long-term capital gains available for distribution.

At October 31, 2017, the cost of investment securities for tax purposes was \$3,773,405,000. Net unrealized appreciation of investment securities for tax purposes was \$432,860,000, consisting entirely of unrealized gains on securities that had risen in value since their purchase.

E. Capital shares issued and redeemed were:

	Year Ended October 31,	
	2017	2016
	Shares	Shares
	(000)	(000)
Issued	67,983	64,466
Issued in Lieu of Cash Distributions	5,442	5,429
Redeemed	(55,033)	(42,573)
Net Increase (Decrease) in Shares Outstanding	18,392	27,322

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

	Current Period Transactions							Oct. 31, 2017 Market Value (\$000)
	Oct. 31, 2016 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	944	NA <sup>1</sup>	NA <sup>1</sup>	1	—	6	—	1
Vanguard Total Bond Market II Index Fund	2,140,175	304,593	53,117	(47)	(36,670)	52,822	2,171	2,354,934
Vanguard Total International Bond Index Fund	912,300	87,976	3,123	—	(4,230)	15,680	—	992,923
Vanguard Total International Stock Index Fund	304,585	9,567	28,540	(495)	60,108	8,643	—	345,225
Vanguard Total Stock Market Index Fund	457,123	51,108	88,081	7,449	85,583	8,735	—	513,182
<b>Total</b>	<b>3,815,127</b>	<b>453,244</b>	<b>172,861</b>	<b>6,908</b>	<b>104,791</b>	<b>85,886</b>	<b>2,171</b>	<b>4,206,265</b>

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no material events or transactions occurred subsequent to October 31, 2017, that would require recognition or disclosure in these financial statements.

# LifeStrategy Conservative Growth Fund

## Fund Profile

As of October 31, 2017

### Total Fund Characteristics

Ticker Symbol	VSCGX
30-Day SEC Yield	2.03%
Acquired Fund Fees and Expenses <sup>1</sup>	0.13%

### Allocation to Underlying Vanguard Funds

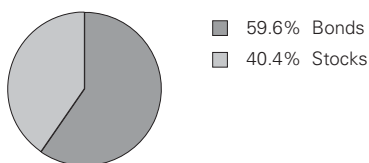
Vanguard Total Bond Market II Index Fund Investor Shares	41.9%
Vanguard Total Stock Market Index Fund Investor Shares	24.2
Vanguard Total International Bond Index Fund Investor Shares	17.7
Vanguard Total International Stock Index Fund Investor Shares	16.2

### Total Fund Volatility Measures

	Conservative Growth Composite Index	DJ U.S. Total Market FA Index
R-Squared	0.99	0.72
Beta	0.98	0.35

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

### Fund Asset Allocation



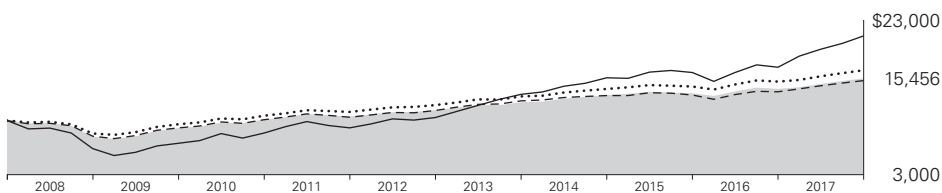
<sup>1</sup> This figure—drawn from the prospectus dated February 23, 2017—represents an estimate of the weighted average of the expense ratios and any transaction fees charged by the underlying mutual funds (the “acquired” funds) in which the LifeStrategy Conservative Growth Fund invests. The LifeStrategy Conservative Growth Fund does not charge any expenses or fees of its own. For the fiscal year ended October 31, 2017, the annualized acquired fund fees and expenses were 0.12%.

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: October 31, 2007, Through October 31, 2017

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended October 31, 2017

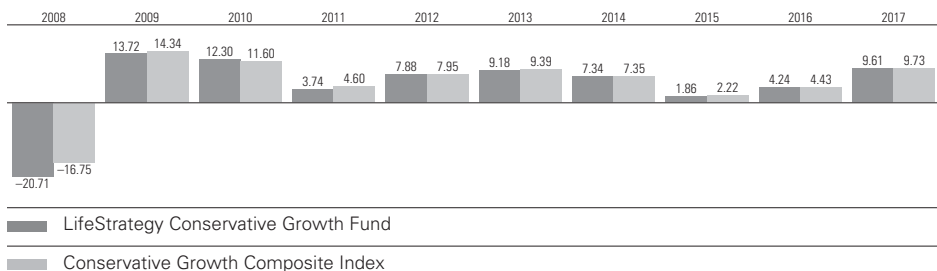
	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
LifeStrategy Conservative Growth Fund	9.61%	6.41%	4.45%	\$15,456
Conservative Growth Composite Index	9.73	6.58	5.13	16,499
Conservative Growth Composite Average	10.55	6.07	4.25	15,164
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.96	15.05	7.67	20,939

For a benchmark description, see the Glossary.

Conservative Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.

See Financial Highlights for dividend and capital gains information.

Fiscal-Year Total Returns (%): October 31, 2007, Through October 31, 2017



For a benchmark description, see the Glossary.

Average Annual Total Returns: Periods Ended September 30, 2017

This table presents returns through the latest calendar quarter—rather than through the end of the fiscal period. Securities and Exchange Commission rules require that we provide this information.

	Inception Date	One Year	Five Years	Ten Years		
				Income	Capital	Total
LifeStrategy Conservative Growth Fund	9/30/1994	7.01%	6.13%	2.57%	1.94%	4.51%

## Financial Statements

### Statement of Net Assets

As of October 31, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at [sec.gov](http://sec.gov). Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)
<b>Investment Companies (100.0%)</b>		
<b>U.S. Stock Fund (24.2%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	35,247,913	2,269,613
<b>International Stock Fund (16.2%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	84,430,649	1,512,153
<b>U.S. Bond Fund (41.9%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	365,434,280	3,921,110
<b>International Bond Fund (17.7%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	151,305,828	1,658,312
<b>Total Investment Companies (Cost \$7,323,518)</b>		<b>9,361,188</b>
<b>Temporary Cash Investment (0.0%)</b>		
<b>Money Market Fund (0.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 1.246% (Cost \$1,980)	19,796	1,980
<b>Total Investments (100.0%) (Cost \$7,325,498)</b>		<b>9,363,168</b>
<b>Other Assets and Liabilities (0.0%)</b>		
Other Assets		35,086
Liabilities		(33,629)
		<b>1,457</b>
<b>Net Assets (100%)</b>		
Applicable to 471,692,751 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)		9,364,625
<b>Net Asset Value Per Share</b>		<b>\$19.85</b>

LifeStrategy Conservative Growth Fund

	Amount (\$000)
<b>Statement of Assets and Liabilities</b>	
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Vanguard Funds	9,363,168
Receivables for Investment Securities Sold	18,478
Receivables for Capital Shares Issued	7,257
Receivables for Accrued Income	9,313
Other Assets	38
<b>Total Assets</b>	<b>9,398,254</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	29,313
Payables for Capital Shares Redeemed	4,316
<b>Total Liabilities</b>	<b>33,629</b>
<b>Net Assets</b>	<b>9,364,625</b>

At October 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	7,289,375
Undistributed Net Investment Income	13,522
Accumulated Net Realized Gains	24,058
Unrealized Appreciation (Depreciation)	2,037,670
<b>Net Assets</b>	<b>9,364,625</b>

• See Note A in Notes to Financial Statements.

1 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.

# Statement of Operations

Year Ended  
October 31, 2017

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	189,621
Other Income	38
<b>Net Investment Income—Note B</b>	<b>189,659</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	3,612
Affiliated Investment Securities Sold	28,149
<b>Realized Net Gain (Loss)</b>	<b>31,761</b>
<b>Change in Unrealized Appreciation (Depreciation) of Investment Securities</b>	<b>579,368</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>800,788</b>

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



## Statement of Changes in Net Assets

	Year Ended October 31,	
	2017 (\$000)	2016 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	189,659	165,741
Realized Net Gain (Loss)	31,761	20,765
Change in Unrealized Appreciation (Depreciation)	579,368	134,423
Net Increase (Decrease) in Net Assets Resulting from Operations	800,788	320,929
<b>Distributions</b>		
Net Investment Income	(189,268)	(164,082)
Realized Capital Gain <sup>1</sup>	(17,334)	(75,632)
Total Distributions	(206,602)	(239,714)
<b>Capital Share Transactions</b>		
Issued	1,829,116	1,455,397
Issued in Lieu of Cash Distributions	196,668	229,609
Redeemed	(1,400,626)	(1,219,482)
Net Increase (Decrease) from Capital Share Transactions	625,158	465,524
Total Increase (Decrease)	1,219,344	546,739
<b>Net Assets</b>		
Beginning of Period	8,145,281	7,598,542
End of Period <sup>2</sup>	9,364,625	8,145,281

<sup>1</sup> Includes fiscal 2017 and 2016 short-term gain distributions totaling \$6,572,000 and \$7,480,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

<sup>2</sup> Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$13,522,000 and \$13,131,000.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$18.55</b>	<b>\$18.36</b>	<b>\$18.86</b>	<b>\$18.04</b>	<b>\$17.21</b>
<b>Investment Operations</b>					
Net Investment Income	.417 <sup>1</sup>	.389	.385	.395	.369
Capital Gain Distributions Received	.008 <sup>1</sup>	.012	.018	.005	.055
Net Realized and Unrealized Gain (Loss) on Investments	1.332	.358	(.057)	.905	1.109
<b>Total from Investment Operations</b>	<b>1.757</b>	<b>.759</b>	<b>.346</b>	<b>1.305</b>	<b>1.533</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.418)	(.387)	(.385)	(.391)	(.367)
Distributions from Realized Capital Gains	(.039)	(.182)	(.461)	(.094)	(.336)
Total Distributions	(.457)	(.569)	(.846)	(.485)	(.703)
<b>Net Asset Value, End of Period</b>	<b>\$19.85</b>	<b>\$18.55</b>	<b>\$18.36</b>	<b>\$18.86</b>	<b>\$18.04</b>
<b>Total Return<sup>2</sup></b>	<b>9.61%</b>	<b>4.24%</b>	<b>1.86%</b>	<b>7.34%</b>	<b>9.18%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$9,365	\$8,145	\$7,599	\$7,259	\$8,644
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.12%	0.13%	0.13%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.18%	2.13%	2.07%	2.12%	2.12%
Portfolio Turnover Rate	6%	9%	16%	15%	19%

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> 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 LifeStrategy Conservative Growth 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 on [vanguard.com](http://vanguard.com).

**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. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (October 31, 2014–2017), and has concluded that no provision for federal income tax is required in the fund's financial statements.
3. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.
4. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at October 31, 2017, or at any time during the period then ended.

5. **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 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 October 31, 2017,

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. 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 valued with significant unobservable inputs are noted on the Statement of Net Assets.

At October 31, 2017, 100% of the market value of the fund's investments was determined based on Level 1 inputs.

D. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

The fund used a tax accounting practice to treat a portion of the price of capital shares redeemed during the year as distributions from net investment income and realized capital gains. Accordingly, the fund has reclassified \$4,787,000 from accumulated net realized gains to paid-in capital.

For tax purposes, at October 31, 2017, the fund had \$23,823,000 of ordinary income and \$13,757,000 of long-term capital gains available for distribution.

At October 31, 2017, the cost of investment securities for tax purposes was \$7,325,498,000. Net unrealized appreciation of investment securities for tax purposes was \$2,037,670,000, consisting entirely of unrealized gains on securities that had risen in value since their purchase.

E. Capital shares issued and redeemed were:

	Year Ended October 31,	
	2017 Shares (000)	2016 Shares (000)
Issued	95,818	79,562
Issued in Lieu of Cash Distributions	10,377	12,653
Redeemed	(73,513)	(66,983)
Net Increase (Decrease) in Shares Outstanding	32,682	25,232

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

	Oct. 31, 2016 Market Value (\$000)	Current Period Transactions						Oct. 31, 2017 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	1	NA <sup>1</sup>	NA <sup>1</sup>	1	1	12	—	1,980
Vanguard Total Bond Market II Index Fund	3,433,209	699,377	154,639	131	(56,968)	87,476	3,612	3,921,110
Vanguard Total International Bond Index Fund	1,462,494	201,742	—	—	(5,924)	25,516	—	1,658,312
Vanguard Total International Stock Index Fund	1,299,745	68,162	120,194	1,750	262,690	38,032	—	1,512,153
Vanguard Total Stock Market Index Fund	1,948,354	121,584	206,161	26,267	379,569	38,585	—	2,269,613
<b>Total</b>	<b>8,143,803</b>	<b>1,090,865</b>	<b>480,994</b>	<b>28,149</b>	<b>579,368</b>	<b>189,621</b>	<b>3,612</b>	<b>9,363,168</b>

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no material events or transactions occurred subsequent to October 31, 2017, that would require recognition or disclosure in these financial statements.

# LifeStrategy Moderate Growth Fund

## Fund Profile

As of October 31, 2017

### Total Fund Characteristics

Ticker Symbol	VSMGX
30-Day SEC Yield	2.03%
Acquired Fund Fees and Expenses <sup>1</sup>	0.14%

### Allocation to Underlying Vanguard Funds

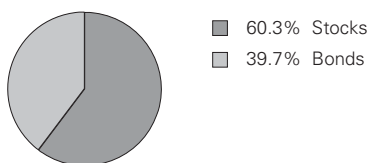
Vanguard Total Stock Market Index Fund Investor Shares	36.0%
Vanguard Total Bond Market II Index Fund Investor Shares	27.9
Vanguard Total International Stock Index Fund Investor Shares	24.3
Vanguard Total International Bond Index Fund Investor Shares	11.8

### Total Fund Volatility Measures

	Moderate Growth Composite Index	DJ U.S. Total Market FA Index
R-Squared	1.00	0.87
Beta	0.97	0.55

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

### Fund Asset Allocation



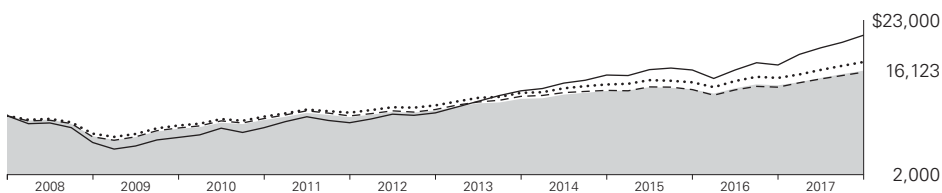
<sup>1</sup> This figure—drawn from the prospectus dated February 23, 2017—represents an estimate of the weighted average of the expense ratios and any transaction fees charged by the underlying mutual funds (the “acquired” funds) in which the LifeStrategy Moderate Growth Fund invests. The LifeStrategy Moderate Growth Fund does not charge any expenses or fees of its own. For the fiscal year ended October 31, 2017, the annualized acquired fund fees and expenses were 0.13%.

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: October 31, 2007, Through October 31, 2017

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended October 31, 2017

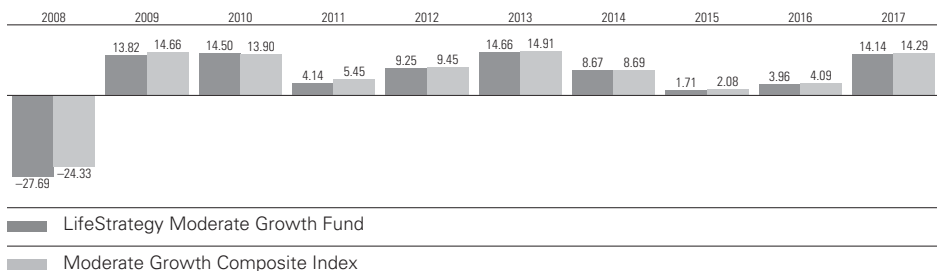
	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
LifeStrategy Moderate Growth Fund	14.14%	8.50%	4.89%	\$16,123
Moderate Growth Composite Index	14.29	8.69	5.63	17,299
Moderate Growth Composite Average	14.68	7.97	4.76	15,915
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.96	15.05	7.67	20,939

For a benchmark description, see the Glossary.

Moderate Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.

See Financial Highlights for dividend and capital gains information.

Fiscal-Year Total Returns (%): October 31, 2007, Through October 31, 2017



For a benchmark description, see the Glossary.

Average Annual Total Returns: Periods Ended September 30, 2017

This table presents returns through the latest calendar quarter—rather than through the end of the fiscal period. Securities and Exchange Commission rules require that we provide this information.

	Inception Date	One Year	Five Years	Ten Years		
				Income	Capital	Total
LifeStrategy Moderate Growth Fund	9/30/1994	10.86%	8.08%	2.46%	2.50%	4.96%



## Financial Statements

### Statement of Net Assets

As of October 31, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)
<b>Investment Companies (100.0%)</b>		
<b>U.S. Stock Fund (36.0%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	87,869,339	5,657,907
<b>International Stock Fund (24.3%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	213,726,023	3,827,833
<b>U.S. Bond Fund (27.9%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	409,295,929	4,391,745
<b>International Bond Fund (11.8%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	168,825,231	1,850,324
<b>Total Investment Companies (Cost \$10,974,442)</b>		<b>15,727,809</b>
<b>Temporary Cash Investment (0.0%)</b>		
<b>Money Market Fund (0.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 1.246% (Cost \$3)	26	3
<b>Total Investments (100.0%) (Cost \$10,974,445)</b>		<b>15,727,812</b>
<b>Other Assets and Liabilities (0.0%)</b>		
Other Assets		42,778
Liabilities		(42,045)
		<b>733</b>
<b>Net Assets (100%)</b>		
Applicable to 584,620,898 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)		15,728,545
<b>Net Asset Value Per Share</b>		<b>\$26.90</b>

	Amount (\$000)
<b>Statement of Assets and Liabilities</b>	
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Vanguard Funds	15,727,812
Receivables for Investment Securities Sold	22,464
Receivables for Capital Shares Issued	9,901
Receivables for Accrued Income	10,413
<b>Total Assets</b>	<b>15,770,590</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	30,412
Payables for Capital Shares Redeemed	9,921
Other Liabilities	1,712
<b>Total Liabilities</b>	<b>42,045</b>
<b>Net Assets</b>	<b>15,728,545</b>

At October 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	10,862,487
Undistributed Net Investment Income	87,197
Accumulated Net Realized Gains	25,494
Unrealized Appreciation (Depreciation)	4,753,367
<b>Net Assets</b>	<b>15,728,545</b>

• See Note A in Notes to Financial Statements.

1 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.

## Statement of Operations

Year Ended  
October 31, 2017

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	315,279
<b>Net Investment Income—Note B</b>	<b>315,279</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	3,908
Affiliated Investment Securities Sold	34,449
<b>Realized Net Gain (Loss)</b>	<b>38,357</b>
<b>Change in Unrealized Appreciation (Depreciation) of Investment Securities</b>	<b>1,558,953</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,912,589</b>

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

## Statement of Changes in Net Assets

	Year Ended October 31,	
	2017 (\$000)	2016 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	315,279	270,875
Realized Net Gain (Loss)	38,357	14,078
Change in Unrealized Appreciation (Depreciation)	1,558,953	202,038
Net Increase (Decrease) in Net Assets Resulting from Operations	1,912,589	486,991
<b>Distributions</b>		
Net Investment Income	(305,537)	(264,129)
Realized Capital Gain <sup>1</sup>	(5,750)	(202,473)
Total Distributions	(311,287)	(466,602)
<b>Capital Share Transactions</b>		
Issued	3,174,281	2,348,287
Issued in Lieu of Cash Distributions	300,017	452,556
Redeemed	(2,441,825)	(2,002,585)
Net Increase (Decrease) from Capital Share Transactions	1,032,473	798,258
Total Increase (Decrease)	2,633,775	818,647
<b>Net Assets</b>		
Beginning of Period	13,094,770	12,276,123
End of Period <sup>2</sup>	15,728,545	13,094,770

<sup>1</sup> Includes fiscal 2017 and 2016 short-term gain distributions totaling \$4,819,000 and \$9,297,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

<sup>2</sup> Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$87,197,000 and \$77,455,000.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$24.10</b>	<b>\$24.08</b>	<b>\$24.32</b>	<b>\$22.90</b>	<b>\$20.84</b>
<b>Investment Operations</b>					
Net Investment Income	.556 <sup>1</sup>	.509	.501	.498	.475
Capital Gain Distributions Received	.007 <sup>1</sup>	.010	.017	.004	.044
Net Realized and Unrealized Gain (Loss) on Investments	2.795	.398	(.099)	1.462	2.430
<b>Total from Investment Operations</b>	<b>3.358</b>	<b>.917</b>	<b>.419</b>	<b>1.964</b>	<b>2.949</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.547)	(.505)	(.501)	(.479)	(.522)
Distributions from Realized Capital Gains	(.011)	(.392)	(.158)	(.065)	(.367)
Total Distributions	(.558)	(.897)	(.659)	(.544)	(.889)
<b>Net Asset Value, End of Period</b>	<b>\$26.90</b>	<b>\$24.10</b>	<b>\$24.08</b>	<b>\$24.32</b>	<b>\$22.90</b>
<b>Total Return<sup>2</sup></b>	<b>14.14%</b>	<b>3.96%</b>	<b>1.71%</b>	<b>8.67%</b>	<b>14.66%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$15,729	\$13,095	\$12,276	\$11,765	\$10,728
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.13%	0.14%	0.14%	0.16%	0.16%
Ratio of Net Investment Income to Average Net Assets	2.19%	2.16%	2.07%	2.12%	2.19%
Portfolio Turnover Rate	6%	9%	16%	12%	15%

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> 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 LifeStrategy Moderate Growth 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 on [vanguard.com](http://vanguard.com).

**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. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (October 31, 2014–2017), and has concluded that no provision for federal income tax is required in the fund's financial statements.
3. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.
4. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at October 31, 2017, or at any time during the period then ended.

5. **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 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 October 31, 2017,

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. 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 valued with significant unobservable inputs are noted on the Statement of Net Assets.

At October 31, 2017, 100% of the market value of the fund's investments was determined based on Level 1 inputs.

D. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

The fund used a tax accounting practice to treat a portion of the price of capital shares redeemed during the year as distributions from net investment income and realized capital gains. Accordingly, the fund has reclassified \$9,655,000 from accumulated net realized gains to paid-in capital.

For tax purposes, at October 31, 2017, the fund had \$98,722,000 of ordinary income and \$13,970,000 of long-term capital gains available for distribution.

At October 31, 2017, the cost of investment securities for tax purposes was \$10,974,445,000. Net unrealized appreciation of investment securities for tax purposes was \$4,753,367,000, consisting entirely of unrealized gains on securities that had risen in value since their purchase.

E. Capital shares issued and redeemed were:

	Year Ended October 31,	
	2017 Shares (000)	2016 Shares (000)
Issued	125,296	99,506
Issued in Lieu of Cash Distributions	12,082	19,378
Redeemed	(96,207)	(85,271)
Net Increase (Decrease) in Shares Outstanding	41,171	33,613

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

	Oct. 31, 2016 Market Value (\$000)	Current Period Transactions						Oct. 31, 2017 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	4,899	NA <sup>1</sup>	NA <sup>1</sup>	(2)	—	25	—	3
Vanguard Total Bond Market II Index Fund	3,683,546	1,028,152	260,249	—	(59,704)	96,987	3,908	4,391,745
Vanguard Total International Bond Index Fund	1,561,650	293,751	—	—	(5,077)	27,809	—	1,850,324
Vanguard Total International Stock Index Fund	3,137,539	229,061	197,503	2,234	656,502	94,787	—	3,827,833
Vanguard Total Stock Market Index Fund	4,712,417	369,525	423,484	32,217	967,232	95,671	—	5,657,907
<b>Total</b>	<b>13,100,051</b>	<b>1,920,489</b>	<b>881,236</b>	<b>34,449</b>	<b>1,558,953</b>	<b>315,279</b>	<b>3,908</b>	<b>15,727,812</b>

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no material events or transactions occurred subsequent to October 31, 2017, that would require recognition or disclosure in these financial statements.



# LifeStrategy Growth Fund

## Fund Profile

As of October 31, 2017

### Total Fund Characteristics

Ticker Symbol	VASGX
30-Day SEC Yield	2.02%
Acquired Fund Fees and Expenses <sup>1</sup>	0.15%

### Allocation to Underlying Vanguard Funds

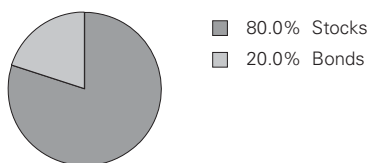
Vanguard Total Stock Market Index Fund Investor Shares	48.0%
Vanguard Total International Stock Index Fund Investor Shares	32.0
Vanguard Total Bond Market II Index Fund Investor Shares	14.1
Vanguard Total International Bond Index Fund Investor Shares	5.9

### Total Fund Volatility Measures

	Growth Composite Index	DJ U.S. Total Market FA Index
R-Squared	1.00	0.92
Beta	0.97	0.75

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

### Fund Asset Allocation



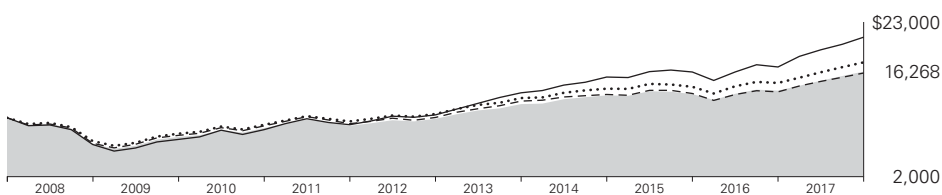
<sup>1</sup> This figure—drawn from the prospectus dated February 23, 2017—represents an estimate of the weighted average of the expense ratios and any transaction fees charged by the underlying mutual funds (the “acquired” funds) in which the LifeStrategy Growth Fund invests. The LifeStrategy Growth Fund does not charge any expenses or fees of its own. For the fiscal year ended October 31, 2017, the annualized acquired fund fees and expenses were 0.14%.

## Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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](http://vanguard.com/performance).) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

### Cumulative Performance: October 31, 2007, Through October 31, 2017

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended October 31, 2017

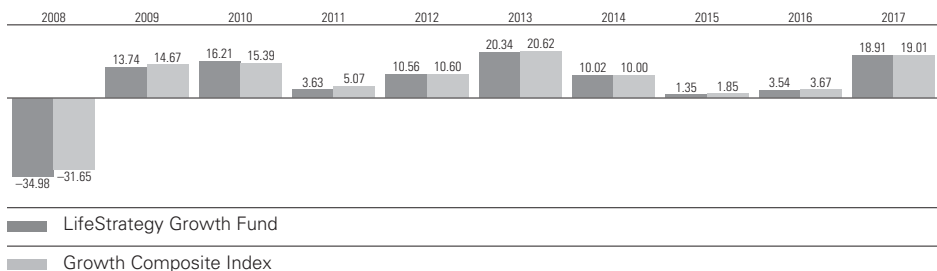
	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
LifeStrategy Growth Fund	18.91%	10.56%	4.99%	\$16,268
Growth Composite Index	19.01	10.76	5.77	17,522
Growth Composite Average	18.94	9.88	4.86	16,072
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.96	15.05	7.67	20,939

For a benchmark description, see the Glossary.

Growth Composite Average: Derived from data provided by Lipper, a Thomson Reuters Company.

See Financial Highlights for dividend and capital gains information.

Fiscal-Year Total Returns (%): October 31, 2007, Through October 31, 2017



For a benchmark description, see the Glossary.

Average Annual Total Returns: Periods Ended September 30, 2017

This table presents returns through the latest calendar quarter—rather than through the end of the fiscal period. Securities and Exchange Commission rules require that we provide this information.

	Inception Date	One Year	Five Years	Ten Years		
				Income	Capital	Total
LifeStrategy Growth Fund	9/30/1994	14.77%	10.01%	2.31%	2.75%	5.06%

## Financial Statements

### Statement of Net Assets

As of October 31, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at [sec.gov](http://sec.gov). Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)
<b>Investment Companies (100.0%)</b>		
<b>U.S. Stock Fund (48.0%)</b>		
Vanguard Total Stock Market Index Fund Investor Shares	108,407,424	6,980,354
<b>International Stock Fund (32.0%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	259,697,053	4,651,174
<b>U.S. Bond Fund (14.1%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	190,413,636	2,043,138
<b>International Bond Fund (5.9%)</b>		
Vanguard Total International Bond Index Fund Investor Shares	78,278,716	857,935
<b>Total Investment Companies (Cost \$9,134,465)</b>		<b>14,532,601</b>
<b>Temporary Cash Investment (0.0%)</b>		
<b>Money Market Fund (0.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 1.246% (Cost \$116)	1,159	116
<b>Total Investments (100.0%) (Cost \$9,134,581)</b>		<b>14,532,717</b>
<b>Other Assets and Liabilities (0.0%)</b>		
Other Assets		30,484
Liabilities		(28,905)
		<b>1,579</b>
<b>Net Assets (100%)</b>		
Applicable to 438,997,254 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)		14,534,296
<b>Net Asset Value Per Share</b>		<b>\$33.11</b>

	Amount (\$000)
<b>Statement of Assets and Liabilities</b>	
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Vanguard Funds	14,532,717
Receivables for Investment Securities Sold	19,853
Receivables for Capital Shares Issued	5,812
Receivables for Accrued Income	4,819
<b>Total Assets</b>	<b>14,563,201</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	24,818
Payables for Capital Shares Redeemed	4,087
<b>Total Liabilities</b>	<b>28,905</b>
<b>Net Assets</b>	<b>14,534,296</b>

At October 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	9,057,795
Undistributed Net Investment Income	72,080
Accumulated Net Realized Gains	6,285
Unrealized Appreciation (Depreciation)	5,398,136
<b>Net Assets</b>	<b>14,534,296</b>

• 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.

# Statement of Operations

	Year Ended October 31, 2017
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	289,809
<b>Net Investment Income—Note B</b>	<b>289,809</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	1,794
Affiliated Investment Securities Sold	11,176
<b>Realized Net Gain (Loss)</b>	<b>12,970</b>
<b>Change in Unrealized Appreciation (Depreciation) of Investment Securities</b>	<b>1,984,249</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>2,287,028</b>

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

## Statement of Changes in Net Assets

	Year Ended October 31,	
	2017 (\$000)	2016 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	289,809	250,216
Realized Net Gain (Loss)	12,970	6,308
Change in Unrealized Appreciation (Depreciation)	1,984,249	149,740
Net Increase (Decrease) in Net Assets Resulting from Operations	2,287,028	406,264
<b>Distributions</b>		
Net Investment Income	(283,256)	(242,906)
Realized Capital Gain <sup>1</sup>	(1,435)	(252,657)
Total Distributions	(284,691)	(495,563)
<b>Capital Share Transactions</b>		
Issued	2,321,175	1,776,294
Issued in Lieu of Cash Distributions	277,084	484,265
Redeemed	(1,984,845)	(1,490,332)
Net Increase (Decrease) from Capital Share Transactions	613,414	770,227
Total Increase (Decrease)	2,615,751	680,928
<b>Net Assets</b>		
Beginning of Period	11,918,545	11,237,617
End of Period <sup>2</sup>	14,534,296	11,918,545

<sup>1</sup> Includes fiscal 2017 and 2016 short-term gain distributions totaling \$1,435,000 and \$11,088,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

<sup>2</sup> Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$72,080,000 and \$65,527,000.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$28.47</b>	<b>\$28.74</b>	<b>\$29.12</b>	<b>\$27.07</b>	<b>\$23.36</b>
<b>Investment Operations</b>					
Net Investment Income	.673 <sup>1</sup>	.611	.598	.599	.569
Capital Gain Distributions Received	.004 <sup>1</sup>	.006	.012	.002	.025
Net Realized and Unrealized Gain (Loss) on Investments	4.632	.354	(.207)	2.085	4.013
<b>Total from Investment Operations</b>	<b>5.309</b>	<b>.971</b>	<b>.403</b>	<b>2.686</b>	<b>4.607</b>
<b>Distributions</b>					
Dividends from Net Investment Income	(.666)	(.603)	(.595)	(.582)	(.631)
Distributions from Realized Capital Gains	(.003)	(.638)	(.188)	(.054)	(.266)
Total Distributions	(.669)	(1.241)	(.783)	(.636)	(.897)
<b>Net Asset Value, End of Period</b>	<b>\$33.11</b>	<b>\$28.47</b>	<b>\$28.74</b>	<b>\$29.12</b>	<b>\$27.07</b>
<b>Total Return<sup>2</sup></b>	<b>18.91%</b>	<b>3.54%</b>	<b>1.35%</b>	<b>10.02%</b>	<b>20.34%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$14,534	\$11,919	\$11,238	\$10,630	\$9,787
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—
Acquired Fund Fees and Expenses	0.14%	0.15%	0.15%	0.17%	0.17%
Ratio of Net Investment Income to Average Net Assets	2.19%	2.20%	2.06%	2.14%	2.27%
Portfolio Turnover Rate	6%	5%	13%	10%	9%

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 LifeStrategy Growth 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 on [vanguard.com](http://vanguard.com).

**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. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (October 31, 2014–2017), and has concluded that no provision for federal income tax is required in the fund's financial statements.
3. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.
4. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at October 31, 2017, or at any time during the period then ended.

5. **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 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 October 31, 2017,

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. 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 valued with significant unobservable inputs are noted on the Statement of Net Assets.

At October 31, 2017, 100% of the market value of the fund's investments was determined based on Level 1 inputs.

D. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

The fund used a tax accounting practice to treat a portion of the price of capital shares redeemed during the year as distributions from net investment income and realized capital gains. Accordingly, the fund has reclassified \$5,378,000 from accumulated net realized gains to paid-in capital.

For tax purposes, at October 31, 2017, the fund had \$78,365,000 of ordinary income available for distribution.

At October 31, 2017, the cost of investment securities for tax purposes was \$9,134,581,000. Net unrealized appreciation of investment securities for tax purposes was \$5,398,136,000, consisting entirely of unrealized gains on securities that had risen in value since their purchase.

E. Capital shares issued and redeemed were:

	Year Ended October 31,	
	2017	2016
	Shares	Shares
	(000)	(000)
Issued	75,824	63,929
Issued in Lieu of Cash Distributions	9,256	17,521
Redeemed	(64,716)	(53,799)
Net Increase (Decrease) in Shares Outstanding	20,364	27,651

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

	Current Period Transactions							Oct. 31, 2017 Market Value (\$000)
	Oct. 31, 2016 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard Market Liquidity Fund	1,545	NA <sup>1</sup>	NA <sup>1</sup>	(1)	—	22	—	116
Vanguard Total International Bond Index Fund	711,950	148,219	—	—	(2,234)	12,771	—	857,935
Vanguard Total International Stock Index Fund	3,832,652	244,285	226,167	(1,184)	801,588	114,996	—	4,651,174
Vanguard Total Bond Market II Index Fund	1,681,680	538,632	150,604	4	(26,574)	44,553	1,794	2,043,138
Vanguard Total Stock Market Index Fund	5,693,519	414,932	351,923	12,357	1,211,469	117,467	—	6,980,354
<b>Total</b>	<b>11,921,346</b>	<b>1,346,068</b>	<b>728,694</b>	<b>11,176</b>	<b>1,984,249</b>	<b>289,809</b>	<b>1,794</b>	<b>14,532,717</b>

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

G. Management has determined that no material events or transactions occurred subsequent to October 31, 2017, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard STAR Funds and the Shareholders of Vanguard LifeStrategy Income Fund, Vanguard LifeStrategy Conservative Growth Fund, Vanguard LifeStrategy Moderate Growth Fund and Vanguard LifeStrategy Growth Fund

In our opinion, the accompanying statements of net assets and statements of assets and liabilities, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Vanguard LifeStrategy Income Fund, Vanguard LifeStrategy Conservative Growth Fund, Vanguard LifeStrategy Moderate Growth Fund and Vanguard LifeStrategy Growth Fund (constituting separate portfolios of Vanguard STAR Funds, hereafter referred to as the "Funds") as of October 31, 2017, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of October 31, 2017 by agreement to the underlying ownership records of the transfer agent, provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
December 13, 2017

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## Special 2017 tax information (unaudited) for Vanguard LifeStrategy Funds

This information for the fiscal year ended October 31, 2017, is included pursuant to provisions of the Internal Revenue Code.

The funds distributed capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year as follows:

Fund	(\$000)
LifeStrategy Income Fund	1,557
LifeStrategy Conservative Growth Fund	13,503
LifeStrategy Moderate Growth Fund	6,219
LifeStrategy Growth Fund	0

For non-resident alien shareholders, 100% of short-term capital gain dividends distributed by the funds are qualified short-term capital gains.

The funds distributed qualified dividend income to shareholders during the fiscal year as follows:

Fund	(\$000)
LifeStrategy Income Fund	15,254
LifeStrategy Conservative Growth Fund	66,368
LifeStrategy Moderate Growth Fund	158,289
LifeStrategy Growth Fund	190,008

For corporate shareholders, the percentage of investment income (dividend income plus short-term gains, if any) that qualifies for the dividends-received deduction is as follows:

Fund	Percentage
LifeStrategy Income Fund	6.7%
LifeStrategy Conservative Growth Fund	16.6
LifeStrategy Moderate Growth Fund	25.0
LifeStrategy Growth Fund	33.7

The funds designate to shareholders foreign source income and foreign taxes paid as follows:

Fund	Foreign Source Income (\$000)	Foreign Taxes Paid (\$000)
LifeStrategy Income Fund	24,562	671
LifeStrategy Conservative Growth Fund	65,594	2,784
LifeStrategy Moderate Growth Fund	128,528	6,800
LifeStrategy Growth Fund	135,540	8,169

Shareholders will receive more detailed information with their Form 1099-DIV in January 2018 to determine the calendar-year amounts to be included on their 2017 tax returns.

## Your Fund's After-Tax Returns

This table presents returns for your fund both before and after taxes. The after-tax returns are shown in two ways: (1) assuming that an investor owned the fund during the entire period and paid taxes on the fund's distributions, and (2) assuming that an investor paid taxes on the fund's distributions *and* sold all shares at the end of each period.

Calculations are based on the highest individual federal income tax and capital gains tax rates in effect at the times of the distributions and the hypothetical sales. State and local taxes were not considered. After-tax returns reflect any qualified dividend income, using actual prior-year figures and estimates for 2017. (In the example, returns after the sale of fund shares may be higher than those assuming no sale. This occurs when the sale would have produced a capital loss. The calculation assumes that the investor received a tax deduction for the loss.)

Please note that your actual after-tax returns will depend on your tax situation and may differ from those shown. Also note that if you own the fund in a tax-deferred account, such as an individual retirement account or a 401(k) plan, this information does not apply to you. Such accounts are not subject to current taxes.

Finally, keep in mind that a fund's performance—whether before or after taxes—does not guarantee future results.

### Average Annual Total Returns: LifeStrategy Funds

Periods Ended October 31, 2017

	One Year	Five Years	Ten Years
LifeStrategy Income Fund			
Returns Before Taxes	5.12 %	4.27 %	4.04 %
Returns After Taxes on Distributions	4.18	3.21	2.97
Returns After Taxes on Distributions and Sale of Fund Shares	2.96	2.94	2.78

	One Year	Five Years	Ten Years
LifeStrategy Conservative Growth Fund			
Returns Before Taxes	9.61%	6.41%	4.45%
Returns After Taxes on Distributions	8.68	5.31	3.47
Returns After Taxes on Distributions and Sale of Fund Shares	5.60	4.66	3.17

	One Year	Five Years	Ten Years
LifeStrategy Moderate Growth Fund			
Returns Before Taxes	14.14%	8.50%	4.89%
Returns After Taxes on Distributions	13.31	7.56	4.08
Returns After Taxes on Distributions and Sale of Fund Shares	8.21	6.42	3.62

**Average Annual Total Returns: LifeStrategy Funds**

Periods Ended October 31, 2017

	One Year	Five Years	Ten Years
LifeStrategy Growth Fund			
Returns Before Taxes	18.91%	10.56%	4.99%
Returns After Taxes on Distributions	18.15	9.68	4.33
Returns After Taxes on Distributions and Sale of Fund Shares	11.00	8.16	3.79

## 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 typical fund's expenses are expressed as a percentage of its average net assets. The LifeStrategy 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 cost (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 LifeStrategy 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 and do not reflect transaction costs incurred by the fund for buying and selling securities. 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, including annual expense ratios, 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 October 31, 2017

	Beginning Account Value 4/30/2017	Ending Account Value 10/31/2017	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
LifeStrategy Income Fund	\$1,000.00	\$1,034.09	\$0.56
LifeStrategy Conservative Growth Fund	\$1,000.00	\$1,048.44	\$0.62
LifeStrategy Moderate Growth Fund	\$1,000.00	\$1,065.28	\$0.68
LifeStrategy Growth Fund	\$1,000.00	\$1,082.82	\$0.74
<b>Based on Hypothetical 5% Yearly Return</b>			
LifeStrategy Income Fund	\$1,000.00	\$1,024.51	\$0.56
LifeStrategy Conservative Growth Fund	\$1,000.00	\$1,024.46	\$0.61
LifeStrategy Moderate Growth Fund	\$1,000.00	\$1,024.41	\$0.66
LifeStrategy Growth Fund	\$1,000.00	\$1,024.36	\$0.71

The calculations are based on acquired fund fees and expenses charged by the underlying mutual funds in which the LifeStrategy Funds invest. The LifeStrategy Funds' annualized expense figures for the period are (in order as listed from top to bottom above) 0.11%, 0.12%, 0.13%, and 0.14%. 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 (184/365).

# Glossary

**30-Day SEC Yield.** A fund's 30-day SEC yield is derived using a formula specified by the U.S. Securities and Exchange Commission. Under the formula, data related to the fund's security holdings in the previous 30 days are used to calculate the fund's hypothetical net income for that period, which is then annualized and divided by the fund's estimated average net assets over the calculation period. For the purposes of this calculation, a security's income is based on its current market yield to maturity (for bonds), its actual income (for asset-backed securities), or its projected dividend yield (for stocks). Because the SEC yield represents hypothetical annualized income, it will differ—at times significantly—from the fund's actual experience. As a result, the fund's income distributions may be higher or lower than implied by the SEC yield.

**Acquired Fund Fees and Expenses.** Funds that invest in other Vanguard funds incur no direct expenses, but they do bear proportionate shares of the operating, administrative, and advisory expenses of the underlying funds, and they must pay any fees charged by those funds. The figure for acquired fund fees and expenses represents a weighted average of these underlying costs. *Acquired* is a term that the Securities and Exchange Commission applies to any mutual fund whose shares are owned by another fund.

**Beta.** A measure of the magnitude of a fund's past share-price fluctuations in relation to the ups and downs of a given market index. The index is assigned a beta of 1.00. Compared with a given index, a fund with a beta of 1.20 typically would have seen its share price rise or fall by 12% when the index rose or fell by 10%. For this report, beta is based on returns over the past 36 months for both the fund and the index. Note that a fund's beta should be reviewed in conjunction with its R-squared (see definition). The lower the R-squared, the less correlation there is between the fund and the index, and the less reliable beta is as an indicator of volatility.

**Expense Ratio.** A fund's total annual operating expenses expressed as a percentage of the fund's average net assets. The expense ratio includes management and administrative expenses, but does not include the transaction costs of buying and selling portfolio securities.

**Inception Date.** The date on which the assets of a fund (or one of its share classes) are first invested in accordance with the fund's investment objective. For funds with a subscription period, the inception date is the day after that period ends. Investment performance is measured from the inception date.

**R-Squared.** A measure of how much of a fund's past returns can be explained by the returns from the market in general, as measured by a given index. If a fund's total returns were precisely synchronized with an index's returns, its R-squared would be 1.00. If the fund's returns bore no relationship to the index's returns, its R-squared would be 0. For this report, R-squared is based on returns over the past 36 months for both the fund and the index.

## Benchmark Information

**Conservative Growth Composite Average:** Weighted 60% fixed income funds average, 28% general equity funds average, and 12% international funds average. Derived from data provided by Lipper, a Thomson Reuters Company.

**Conservative Growth Composite Index:** Weighted 42% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 24% CRSP US Total Market Index, 18% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index, and 16% FTSE Global All Cap ex US Index as of July 1, 2015. In prior periods, the composite was 48% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 28% CRSP US Total Market Index, 12% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index, and 12% FTSE Global All Cap ex US Index through June 30, 2015; 60% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 28% MSCI US Broad Market Index, and 12% MSCI ACWI ex USA IMI Index through June 2, 2013; 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 28% MSCI US Broad Market Index, 20% Bloomberg Barclays U.S. 1–3 Year Credit Bond Index, and 12% MSCI ACWI ex USA IMI Index through November 30, 2011; 40% Bloomberg Barclays U.S. Aggregate Bond Index (with the Bloomberg Barclays U.S. Aggregate Float Adjusted Index used after December 31, 2009), 35% MSCI US Broad Market Index, 20% Bloomberg Barclays U.S. 1–3 Year Credit Bond Index, and 5% MSCI EAFE Index through December 15, 2010; 40% Bloomberg Barclays U.S. Aggregate Bond Index, 35% Dow Jones U.S. Total Stock Market Index, 20% Bloomberg Barclays U.S. 1–3 Year Credit Bond Index, and 5% MSCI EAFE Index through April 22, 2005; and 40% Bloomberg Barclays U.S. Aggregate Bond Index, 35% Dow Jones U.S. Total Stock Market Index, 20% Citigroup 3-Month Treasury Bill Index, and 5% MSCI EAFE Index through August 31, 2003. International stock benchmark returns are adjusted for withholding taxes.

**Growth Composite Average:** Weighted 56% general equity funds average, 24% international funds average, and 20% fixed income funds average. Derived from data provided by Lipper, a Thomson Reuters Company.

**Growth Composite Index:** Weighted 48% CRSP US Total Market Index, 32% FTSE Global All Cap ex US Index, 14% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, and 6% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index as of July 1, 2015. In prior periods, the composite was 56% CRSP US Total Market Index, 24% FTSE Global All Cap ex US Index, 16% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, and 4% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index through June 30, 2015; 56% MSCI US Broad Market Index, 24% MSCI ACWI ex USA IMI Index, and 20% Bloomberg Barclays U.S. Aggregate Float Adjusted Index through June 2, 2013; 65% MSCI US Broad Market Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index (with the Bloomberg Barclays U.S. Aggregate Float Adjusted Index used after December 31, 2009), and 15% MSCI EAFE Index through December 15, 2010; and 65% Dow Jones U.S. Total Stock Market Index, 20% Bloomberg Barclays U.S. Aggregate Bond Index, and 15% MSCI EAFE Index through April 22, 2005. International stock benchmark returns are adjusted for withholding taxes.

**Income Composite Average:** Weighted 80% fixed income funds average, 14% general equity funds average, and 6% international funds average. Derived from data provided by Lipper, a Thomson Reuters Company.

**Income Composite Index:** Weighted 56% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 24% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index, 12% CRSP US Total Market Index, and 8% FTSE Global All Cap ex US Index as of July 1, 2015. In prior periods, the composite was 64% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 16% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index, 14% CRSP US Total Market Index, and 6% FTSE Global All Cap ex US Index through June 30, 2015; 80% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 14% MSCI US Broad Market Index, and 6% MSCI ACWI ex USA IMI Index through June 2, 2013; 60% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 20% Bloomberg Barclays U.S. 1–3 Year Credit Bond Index, 14% MSCI US Broad Market Index, and 6% MSCI ACWI ex USA IMI Index through November 30, 2011; 60% Bloomberg Barclays U.S. Aggregate Bond Index (with the Bloomberg Barclays U.S. Aggregate Float Adjusted Index used after December 31, 2009), 20% MSCI US Broad Market Index, and 20% Bloomberg Barclays U.S. 1–3 Year Credit Bond Index through December 15, 2010; 60% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Dow Jones U.S. Total Stock Market Index, and 20% Bloomberg Barclays U.S. 1–3 Year Credit Bond Index through April 22, 2005; and 60% Bloomberg Barclays U.S. Aggregate Bond Index, 20% Dow Jones U.S. Total Stock Market Index, and 20% Citigroup 3-Month Treasury Bill Index through August 31, 2003. International stock benchmark returns are adjusted for withholding taxes.

**Moderate Growth Composite Average:** Weighted 42% general equity funds average, 40% fixed income funds average, and 18% international funds average. Derived from data provided by Lipper, a Thomson Reuters Company.

**Moderate Growth Composite Index:** Weighted 36% CRSP US Total Market Index, 28% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 24% FTSE Global All Cap ex US Index, and 12% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index as of July 1, 2015. In prior periods, the composite was 42% CRSP US Total Market Index, 32% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, 18% FTSE Global All Cap ex US Index, and 8% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index through June 30, 2015; 42% MSCI US Broad Market Index, 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index, and 18% MSCI ACWI ex USA IMI Index through June 2, 2013; 50% MSCI US Broad Market Index, 40% Bloomberg Barclays U.S. Aggregate Bond Index (with the Bloomberg Barclays U.S. Aggregate Float Adjusted Index used after December 31, 2009), and 10% MSCI EAFE Index through December 15, 2010; and 50% Dow Jones U.S. Total Stock Market Index, 40% Bloomberg Barclays U.S. Aggregate Bond Index, and 10% MSCI EAFE Index through April 22, 2005. International stock benchmark returns are adjusted for withholding taxes.

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# The People Who Govern Your Fund

The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them on an at-cost basis.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 200 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at [vanguard.com](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### F. William McNabb III

Born 1957. Trustee Since July 2009. Chairman of the Board. Principal Occupation(s) During the Past Five Years and Other Experience: Chairman of the Board of The Vanguard Group, Inc., and of each of the investment companies served by The Vanguard Group, since January 2010; Chief Executive Officer and Director of The Vanguard Group and President and Chief Executive Officer of each of the investment companies served by The Vanguard Group, since 2008; Director of Vanguard Marketing Corporation; President of The Vanguard Group (2008–2017); Managing Director of The Vanguard Group (1995–2008).

Executive in Residence and 2009–2010

Distinguished Minett Professor at the Rochester Institute of Technology; Lead Director of SPX FLOW, Inc. (multi-industry manufacturing); Director of the United Way of Rochester, the University of Rochester Medical Center, Monroe Community College Foundation, North Carolina A&T University, and Roberts Wesleyan College; Trustee of the University of Rochester.

### Rajiv L. Gupta

Born 1945. Trustee Since December 2001.<sup>2</sup> Principal Occupation(s) During the Past Five Years and Other Experience: Chairman and Chief Executive Officer (retired 2009) and President (2006–2008) of Rohm and Haas Co. (chemicals); Director of Arconic Inc. (diversified manufacturer), HP Inc. (printer and personal computer manufacturing), and Delphi Automotive plc (automotive components); Senior Advisor at New Mountain Capital.

## Independent Trustees

### Emerson U. Fullwood

Born 1948. Trustee Since January 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Executive Chief Staff and Marketing Officer for North America and Corporate Vice President (retired 2008) of Xerox Corporation (document management products and services);

### Amy Gutmann

Born 1949. Trustee Since June 2006. Principal Occupation(s) During the Past Five Years and Other Experience: President of the University of Pennsylvania; Christopher H. Browne

<sup>1</sup> Mr. McNabb is considered an "interested person," as defined in the Investment Company Act of 1940, because he is an officer of the Vanguard funds.

<sup>2</sup> December 2002 for Vanguard Equity Income Fund, the Vanguard Municipal Bond Funds, and the Vanguard State Tax-Exempt Funds.

Distinguished Professor of Political Science, School of Arts and Sciences, and Professor of Communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania; Trustee of the National Constitution Center.

### **JoAnn Heffernan Heisen**

Born 1950. Trustee Since July 1998. Principal Occupation(s) During the Past Five Years and Other Experience: Corporate Vice President and Member of the Executive Committee (1997–2008), Chief Global Diversity Officer (retired 2008), Vice President and Chief Information Officer (1997–2006), Controller (1995–1997), Treasurer (1991–1995), and Assistant Treasurer (1989–1991) of Johnson & Johnson (pharmaceuticals/medical devices/consumer products); Director of Skytop Lodge Corporation (hotels) and the Robert Wood Johnson Foundation; Member of the Advisory Board of the Institute for Women’s Leadership at Rutgers University.

### **F. Joseph Loughrey**

Born 1949. Trustee Since October 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2009) of Cummins Inc. (industrial machinery); Chairman of the Board of Hillenbrand, Inc. (specialized consumer services), Oxfam America, and the Lumina Foundation for Education; Director of the V Foundation for Cancer Research; Member of the Advisory Council for the College of Arts and Letters and Chair of the Advisory Board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

### **Mark Loughridge**

Born 1953. Trustee Since March 2012. Principal Occupation(s) During the Past Five Years and Other Experience: Senior Vice President and Chief Financial Officer (retired 2013) at IBM (information technology services); Fiduciary Member of IBM’s Retirement Plan Committee (2004–2013); Member of the Council on Chicago Booth.

### **Scott C. Malpass**

Born 1962. Trustee Since March 2012. Principal Occupation(s) During the Past Five Years and Other Experience: Chief Investment Officer and Vice President at the University of Notre Dame; Assistant Professor of Finance at the Mendoza College of Business at Notre Dame; Member of the Notre Dame 403(b) Investment Committee, the Board of Advisors for Spruceview Capital Partners, the Board of Catholic Investment Services, Inc. (investment advisor), and the Board of Superintendence of the Institute for the Works of Religion; Chairman of the Board of TIFF Advisory Services, Inc. (investment advisor).

### **André F. Perold**

Born 1952. Trustee Since December 2004. Principal Occupation(s) During the Past Five Years and Other Experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011); Chief Investment Officer and Co-Managing Partner of HighVista Strategies LLC (private investment firm); Overseer of the Museum of Fine Arts Boston.

### **Peter F. Volanakis**

Born 1955. Trustee Since July 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2010) of Corning Incorporated (communications equipment); Chairman of the Board of Trustees of Colby-Sawyer College; Member of the Board of Hypertherm, Inc. (industrial cutting systems, software, and consumables).



## Executive Officers

### Glenn Booraem

Born 1967. Investment Stewardship Officer Since February 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Treasurer (2015–2017), Controller (2010–2015), and Assistant Controller (2001–2010) of each of the investment companies served by The Vanguard Group.

### Thomas J. Higgins

Born 1957. Chief Financial Officer Since September 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Chief Financial Officer of each of the investment companies served by The Vanguard Group; Treasurer of each of the investment companies served by The Vanguard Group (1998–2008).

### Peter Mahoney

Born 1974. Controller Since May 2015. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Controller of each of the investment companies served by The Vanguard Group; Head of International Fund Services at The Vanguard Group (2008–2014).

### Anne E. Robinson

Born 1970. Secretary Since September 2016. Principal Occupation(s) During the Past Five Years and Other Experience: Managing Director of The Vanguard Group, Inc.; General Counsel of The Vanguard Group; Secretary of The Vanguard Group and of each of the investment companies served by The Vanguard Group; Director and Senior Vice President of Vanguard Marketing Corporation; Managing Director and General Counsel of Global Cards and Consumer Services at Citigroup (2014–2016); Counsel at American Express (2003–2014).

### Michael Rollings

Born 1963. Treasurer Since February 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Managing Director of The Vanguard Group, Inc.; Treasurer of each of the investment companies served by The Vanguard Group; Director of Vanguard Marketing Corporation; Executive Vice President and Chief Financial Officer of MassMutual Financial Group (2006–2016).

## Vanguard Senior Management Team

<b>Mortimer J. Buckley</b>	<b>Chris D. McIsaac</b>
<b>Gregory Davis</b>	<b>James M. Norris</b>
<b>John James</b>	<b>Thomas M. Rampulla</b>
<b>Martha G. King</b>	<b>Karin A. Risi</b>
<b>John T. Marcante</b>	

## Chairman Emeritus and Senior Advisor

### John J. Brennan

Chairman, 1996–2009  
Chief Executive Officer and President, 1996–2008

## Founder

### John C. Bogle

Chairman and Chief Executive Officer, 1974–1996



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You can review and copy information about your fund at the SEC's Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at 202-551-8090. Information about your fund is also available on the SEC's website, and you can receive copies of this information, for a fee, by sending a request in either of two ways: via email addressed to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or via regular mail addressed to the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-1520.

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