**Vanguard LifeStrategy® Moderate Growth Fund**

Balanced fund (stocks and bonds)

**Investment objective**
Vanguard LifeStrategy Moderate Growth Fund seeks to provide capital appreciation and a low to moderate level of current income.

**Investment strategy**
The fund invests in other Vanguard mutual funds according to a fixed formula that over time should reflect an allocation of approximately 60% of the fund's assets to common stocks and 40% to bonds. The percentages of the fund's assets allocated to each of the underlying funds are: 30% Vanguard Total Stock Market Index Fund, 32% Vanguard Total Bond Market II Index Fund, 20% Vanguard Total Allocation Fund, and 18% Vanguard Total International Stock Index Fund.

The fund's indirect stock holdings consist substantially of large-capitalization U.S. stocks and, to a lesser extent, mid- and small-cap U.S. stocks and foreign stocks. Its indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and investment-grade corporate bonds, as well as mortgage-backed and asset-backed securities.

See reverse side for Fund Profile.

**Who should invest**
- Investors seeking both a reasonable level of income and long-term growth of capital and income.
- Investors seeking a simple way to achieve a very broadly diversified holding of stocks and bonds.
- Investors with a long-term investment horizon (at least five years).

**Who should not invest**
- Investors unwilling to accept significant fluctuations in share price.
- Investors seeking maximum long-term growth of capital.

**Total net assets:** $7,798 million

**Expense ratio:** 0.19%* as of October 31, 2010

**Ticker symbol:** VSMGX

**Newspaper listing:** LifeMod

**Inception date:** September 30, 1994

**Fund number:** 0914

**Overall risk level:**
- Conservative
- Moderate
- Aggressive

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<tr>
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**Performance**
**Annual returns 2001–2010**

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent (%)</td>
<td>-4.48</td>
<td>-4.27</td>
<td>-10.32</td>
<td>-4.46</td>
<td>22.40</td>
<td>20.78</td>
<td>10.57</td>
<td>10.06</td>
<td>5.69</td>
<td>5.45</td>
</tr>
<tr>
<td>Moderate Growth Composite Index</td>
<td>-9.75%</td>
<td>-5.62%</td>
<td>0.03%</td>
<td>3.36%</td>
<td>1.41%</td>
<td>4.68%</td>
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The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at www.vanguard.com/performance.

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

Moderate Growth Composite Index: Weighted 50% Dow Jones U.S. Total Stock Market Index, 40% Barclays Capital U.S. Aggregate Bond Index, and 10% MSCI EAFE Index through April 22, 2005; 50% MSCI US Broad Market Index, 40% Barclays Capital U.S. Aggregate Bond Index through December 31, 2009, and Barclays Capital U.S. Aggregate Float Adjusted Index thereafter, and 10% MSCI EAFE Index through December 15, 2010; and 42% MSCI US Broad Market Index, 40% Barclays Capital U.S. Aggregate Float Adjusted Index, and 18% MSCI ACWI ex USA IMI Index thereafter. MSCI international benchmark returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

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

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

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

Fund profile
as of September 30, 2011
Allocation of underlying Vanguard funds†

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Allocation</th>
</tr>
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<tbody>
<tr>
<td>Vanguard Total Bond Market II Index Fund</td>
<td>32.6%</td>
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<tr>
<td>Vanguard Total Stock Market Index Fund</td>
<td>29.4%</td>
</tr>
<tr>
<td>Vanguard Asset Allocation Fund</td>
<td>20.0%</td>
</tr>
<tr>
<td>Vanguard Total International Stock Index</td>
<td>18.0%</td>
</tr>
</tbody>
</table>

†Fund holdings are subject to change.

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

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

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

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

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

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

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