



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: 35% Vanguard Total Stock Market Index Fund, 30% Vanguard Total Bond Market II Index Fund, 25% Vanguard Asset Allocation Fund, and 10% 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: \$7,911 million

Expense ratio: 0.22%*
as of October 31, 2008

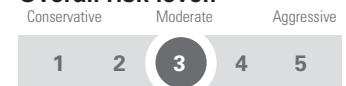
Ticker symbol: VSMGX

Newspaper listing: LifeMod

Inception date: September 30, 1994

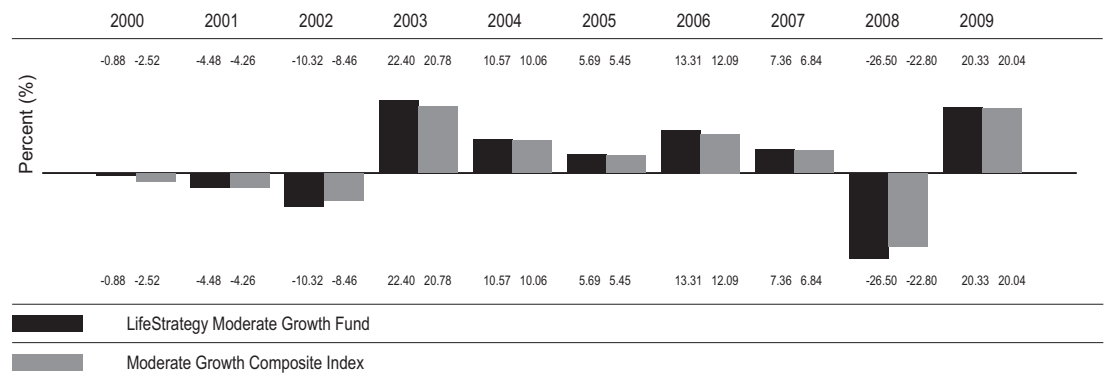
Fund number: 0914

Overall risk level:



Performance

Annual returns 2000–2009



Total returns

	Periods Ended December 31, 2009					
	Quarter	Year to Date	One Year	Three Years	Five Years	Ten Years
LifeStrategy Moderate Growth Fund	3.21%	20.33%	20.33%	-1.71%	2.60%	2.71%
Moderate Growth Composite Index	3.25%	20.04%	20.04%	-0.33%	3.20%	2.89%

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 Wilshire 5000 Index, 40% Lehman U.S. Aggregate Bond Index, and 10% MSCI EAFE Index through April 22, 2005; and 50% MSCI US Broad Market Index, 40% Barclays Capital U.S. Aggregate Float Adjusted Bond Index, and 10% MSCI EAFE Index thereafter. MSCI EAFE index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

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

Vanguard LifeStrategy Moderate Growth Fund

Plain talk about risk

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

Investment terms

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

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

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

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

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

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

Fund profile

as of December 31, 2009

Allocation of underlying Vanguard funds[†]

Vanguard Total Stock Market Index Fund	34.9%
Vanguard Total Bond Market II Index Fund	30.2
Vanguard Asset Allocation Fund	24.9
Vanguard Total International Stock Index Fund	10.0

[†]Fund holdings are subject to change.

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

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

Investment Products: <ul style="list-style-type: none">• Not FDIC Insured• No Bank Guarantee• May Lose Value
--