

**Semiannual Report** | March 31, 2024

## Vanguard Target Retirement Funds

Vanguard Target Retirement 2045 Fund

Vanguard Target Retirement 2050 Fund

Vanguard Target Retirement 2055 Fund

Vanguard Target Retirement 2060 Fund

Vanguard Target Retirement 2065 Fund

Vanguard Target Retirement 2070 Fund

See the inside front cover for important information about your fund's annual and semiannual shareholder reports.

# Important information about shareholder reports

Beginning in July 2024, amendments adopted by the Securities and Exchange Commission will substantially impact the design, content, and transmission of shareholder reports. Shareholder reports will provide key fund information in a clear and concise format and must be mailed to each shareholder that has not elected to receive the reports electronically. Financial statements will no longer be included in the shareholder report but will be available at [vanguard.com](http://vanguard.com), can be mailed upon request, or can be accessed on the SEC’s website at [www.sec.gov](http://www.sec.gov).

You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to [vanguard.com](http://vanguard.com).

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# 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 fund's expenses are expressed as a percentage of its average net assets. The Target Retirement 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 costs (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 Target Retirement 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. 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 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 March 31, 2024

	Beginning Account Value 9/30/2023	Ending Account Value 3/31/2024	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Target Retirement 2045 Fund	\$1,000.00	\$1,177.00	\$0.44
Target Retirement 2050 Fund	\$1,000.00	\$1,184.20	\$0.44
Target Retirement 2055 Fund	\$1,000.00	\$1,184.00	\$0.44
Target Retirement 2060 Fund	\$1,000.00	\$1,184.10	\$0.44
Target Retirement 2065 Fund	\$1,000.00	\$1,184.10	\$0.44
Target Retirement 2070 Fund	\$1,000.00	\$1,184.50	\$0.44
<b>Based on Hypothetical 5% Yearly Return</b>			
Target Retirement 2045 Fund	\$1,000.00	\$1,024.60	\$0.40
Target Retirement 2050 Fund	\$1,000.00	\$1,024.60	\$0.40
Target Retirement 2055 Fund	\$1,000.00	\$1,024.60	\$0.40
Target Retirement 2060 Fund	\$1,000.00	\$1,024.60	\$0.40
Target Retirement 2065 Fund	\$1,000.00	\$1,024.60	\$0.40
Target Retirement 2070 Fund	\$1,000.00	\$1,024.60	\$0.40

The calculations are based on acquired fund fees and expenses for the most recent six-month period. The underlying funds' annualized expense figures for that period are (in order as listed from top to bottom above) 0.08%, 0.08%, 0.08%, 0.08%, 0.08%, and 0.08%. 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 (183/366).

# Target Retirement 2045 Fund

## Underlying Vanguard Funds

As of March 31, 2024

Vanguard Total Stock Market Index Fund Institutional Plus Shares	52.2%
Vanguard Total International Stock Index Fund Investor Shares	32.6
Vanguard Total Bond Market II Index Fund Investor Shares	10.5
Vanguard Total International Bond II Index Fund Institutional Shares	4.7

The table reflects the fund's investments, except for short-term investments and derivatives.

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2024

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.1%)</b>		
<b>U.S. Stock Fund (51.7%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	179,784,077	42,698,718
<b>International Stock Fund (32.3%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	1,379,141,895	26,686,396
<b>U.S. Bond Fund (10.4%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	911,960,219	8,599,785
<b>International Bond Fund (4.7%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	145,672,879	3,853,047
<b>Total Investment Companies (Cost \$56,112,054)</b>		<b>81,837,946</b>
<b>Temporary Cash Investments (0.9%)</b>		
<b>Money Market Fund (0.9%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 5.407% (Cost \$770,360)	7,705,845	770,431
<b>Total Investments (100.0%) (Cost \$56,882,414)</b>		<b>82,608,377</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(2,896)</b>
<b>Net Assets (100%)</b>		<b>82,605,481</b>

Cost is in \$000.

• 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.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2024	4,102	454,489	1,756
E-mini S&P 500 Index	June 2024	1,340	355,669	7,857
				<b>9,613</b>

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

# Statement of Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$56,882,414)	82,608,377
Cash Collateral Pledged—Futures Contracts	24,160
Receivables for Accrued Income	35,831
Receivables for Capital Shares Issued	67,692
Variation Margin Receivable—Futures Contracts	370
<b>Total Assets</b>	<b>82,736,430</b>
<b>Liabilities</b>	
Due to Custodian	649
Payables for Investment Securities Purchased	51,831
Payables for Capital Shares Redeemed	78,469
<b>Total Liabilities</b>	<b>130,949</b>
<b>Net Assets</b>	<b>82,605,481</b>

At March 31, 2024, net assets consisted of:

Paid-in Capital	56,363,652
Total Distributable Earnings (Loss)	26,241,829
<b>Net Assets</b>	<b>82,605,481</b>

**Net Assets**

Applicable to 2,910,301,045 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	82,605,481
<b>Net Asset Value Per Share</b>	<b>\$28.38</b>

# Statement of Operations

Six Months Ended  
March 31, 2024

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	1,033,466
<b>Net Investment Income— Note B</b>	<b>1,033,466</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	5
Affiliated Funds Sold <sup>1</sup>	289,623
Futures Contracts	31,976
<b>Realized Net Gain (Loss)</b>	<b>321,604</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	10,873,870
Futures Contracts	35,992
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>10,909,862</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>12,264,932</b>

1 Includes \$285,618,000 of net gain (loss) resulting from in-kind redemptions.



## Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	1,033,466	1,474,423
Realized Net Gain (Loss)	321,604	898,295
Change in Unrealized Appreciation (Depreciation)	10,909,862	7,499,425
Net Increase (Decrease) in Net Assets Resulting from Operations	12,264,932	9,872,143
<b>Distributions</b>		
Total Distributions	(1,701,640)	(1,622,229)
<b>Capital Share Transactions</b>		
Issued	5,561,023	9,893,868
Issued in Lieu of Cash Distributions	1,674,884	1,597,470
Redeemed	(3,974,822)	(6,881,466)
Net Increase (Decrease) from Capital Share Transactions	3,261,085	4,609,872
Total Increase (Decrease)	13,824,377	12,859,786
<b>Net Assets</b>		
Beginning of Period	68,781,104	55,921,318
End of Period	82,605,481	68,781,104

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$24.66</b>	<b>\$21.54</b>	<b>\$31.04</b>	<b>\$25.22</b>	<b>\$23.38</b>	<b>\$23.49</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.364	.548	.536	.495	.492	.527
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.000 <sup>2</sup>	.007	.020	—	—
Net Realized and Unrealized Gain (Loss) on Investments	3.964	3.200	(5.672)	5.840	1.900	(.128)
<b>Total from Investment Operations</b>	<b>4.328</b>	<b>3.748</b>	<b>(5.129)</b>	<b>6.355</b>	<b>2.392</b>	<b>.399</b>
<b>Distributions</b>						
Dividends from Net Investment Income	(.608)	(.486)	(.629)	(.452)	(.552)	(.483)
Distributions from Realized Capital Gains	—	(.142)	(3.742)	(.083)	—	(.026)
<b>Total Distributions</b>	<b>(.608)</b>	<b>(.628)</b>	<b>(4.371)</b>	<b>(.535)</b>	<b>(.552)</b>	<b>(.509)</b>
<b>Net Asset Value, End of Period</b>	<b>\$28.38</b>	<b>\$24.66</b>	<b>\$21.54</b>	<b>\$31.04</b>	<b>\$25.22</b>	<b>\$23.38</b>
<b>Total Return<sup>3</sup></b>	<b>17.70%</b>	<b>17.67%</b>	<b>-19.93%</b>	<b>25.42%</b>	<b>10.27%</b>	<b>2.06%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$82,605	\$68,781	\$55,921	\$28,918	\$30,205	\$26,670
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.76%	2.25%	2.09%	1.68%	2.08%	2.35%
Portfolio Turnover Rate	1% <sup>5</sup>	1% <sup>5</sup>	5% <sup>5</sup>	4%	9%	4%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 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.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2045 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2045 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. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.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. **Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2024, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.
4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. 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 investment advisory, 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 six months ended March 31, 2024, 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.** The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants

## Target Retirement 2045 Fund

improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2024, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	56,971,300
Gross Unrealized Appreciation	26,934,628
Gross Unrealized Depreciation	(1,287,938)
Net Unrealized Appreciation (Depreciation)	25,646,690

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at September 30, 2023, the fund had available capital losses totaling \$93,310,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending September 30, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	210,272	407,526
Issued in Lieu of Cash Distributions	62,706	70,747
Redeemed	(151,454)	(285,799)
Net Increase (Decrease) in Shares Outstanding	121,524	192,474

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

	Current Period Transactions							
	Sep. 30, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2024 Market Value (\$000)
Vanguard Market Liquidity Fund	837,984	NA <sup>2</sup>	NA <sup>2</sup>	21	(84)	20,700	5	770,431
Vanguard Total Bond Market II Index Fund	7,074,053	1,311,327	69,356	1,386	282,375	132,546	—	8,599,785
Vanguard Total International Bond II Index Fund	2,871,702	920,749	26,731	556	86,771	114,816	—	3,853,047
Vanguard Total International Stock Index Fund	22,753,830	1,173,896	198,039	43,703	2,913,006	451,966	—	26,686,396
Vanguard Total Stock Market Index Fund	35,242,139	325,058	704,238	243,957	7,591,802	313,438	—	42,698,718
<b>Total</b>	<b>68,779,708</b>	<b>3,731,030</b>	<b>998,364</b>	<b>289,623</b>	<b>10,873,870</b>	<b>1,033,466</b>	<b>5</b>	<b>82,608,377</b>

1 Includes \$584,200,000 of portfolio securities delivered as a result of in-kind redemptions of the fund's capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2024, that would require recognition or disclosure in these financial statements.

# Target Retirement 2050 Fund

## Underlying Vanguard Funds

As of March 31, 2024

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Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.3%
Vanguard Total International Stock Index Fund Investor Shares	36.0
Vanguard Total Bond Market II Index Fund Investor Shares	6.7
Vanguard Total International Bond II Index Fund Institutional Shares	3.0

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The table reflects the fund's investments, except for short-term investments and derivatives.

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2024

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.2%)</b>		
<b>U.S. Stock Fund (53.9%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	157,161,208	37,325,787
<b>International Stock Fund (35.7%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	1,278,972,170	24,748,111
<b>U.S. Bond Fund (6.6%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	485,478,115	4,578,059
<b>International Bond Fund (3.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	78,297,245	2,070,962
<b>Total Investment Companies (Cost \$48,856,509)</b>		<b>68,722,919</b>
<b>Temporary Cash Investments (0.8%)</b>		
<b>Money Market Fund (0.8%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 5.407% (Cost \$526,936)	5,271,134	527,008
<b>Total Investments (100.0%) (Cost \$49,383,445)</b>		<b>69,249,927</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>30,140</b>
<b>Net Assets (100%)</b>		<b>69,280,067</b>

Cost is in \$000.

• 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.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2024	2,654	294,055	1,128
E-mini S&P 500 Index	June 2024	1,031	273,653	6,046
				<u>7,174</u>

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



# Statement of Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$49,383,445)	69,249,927
Cash Collateral Pledged—Futures Contracts	17,523
Receivables for Accrued Income	19,853
Receivables for Capital Shares Issued	71,966
Variation Margin Receivable—Futures Contracts	290
<b>Total Assets</b>	<b>69,359,559</b>
<b>Liabilities</b>	
Due to Custodian	466
Payables for Investment Securities Purchased	32,179
Payables for Capital Shares Redeemed	46,847
<b>Total Liabilities</b>	<b>79,492</b>
<b>Net Assets</b>	<b>69,280,067</b>

At March 31, 2024, net assets consisted of:

Paid-in Capital	49,051,854
Total Distributable Earnings (Loss)	20,228,213
<b>Net Assets</b>	<b>69,280,067</b>

**Net Assets**

Applicable to 1,458,654,102 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	69,280,067
<b>Net Asset Value Per Share</b>	<b>\$47.50</b>

# Statement of Operations

Six Months Ended  
March 31, 2024

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	828,825
<b>Net Investment Income— Note B</b>	<b>828,825</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	3
Affiliated Funds Sold <sup>1</sup>	215,874
Futures Contracts	24,415
<b>Realized Net Gain (Loss)</b>	<b>240,292</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	9,472,234
Futures Contracts	27,699
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>9,499,933</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>10,569,050</b>

1 Includes \$217,242,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	828,825	1,192,157
Realized Net Gain (Loss)	240,292	847,632
Change in Unrealized Appreciation (Depreciation)	9,499,933	6,221,469
Net Increase (Decrease) in Net Assets Resulting from Operations	10,569,050	8,261,258
<b>Distributions</b>		
Total Distributions	(1,372,680)	(1,134,127)
<b>Capital Share Transactions</b>		
Issued	5,568,625	9,932,027
Issued in Lieu of Cash Distributions	1,350,228	1,115,771
Redeemed	(3,472,072)	(6,274,244)
Net Increase (Decrease) from Capital Share Transactions	3,446,781	4,773,554
Total Increase (Decrease)	12,643,151	11,900,685
<b>Net Assets</b>		
Beginning of Period	56,636,916	44,736,231
End of Period	69,280,067	56,636,916

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,			Year Ended September 30,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$41.00</b>	<b>\$35.44</b>	<b>\$50.09</b>	<b>\$40.60</b>	<b>\$37.63</b>	<b>\$37.80</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.586	.904	.884	.798	.793	.851
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.000 <sup>2</sup>	.009	.031	—	—
Net Realized and Unrealized Gain (Loss) on Investments	6.898	5.557	(9.524)	9.498	3.053	(.204)
<b>Total from Investment Operations</b>	<b>7.484</b>	<b>6.461</b>	<b>(8.631)</b>	<b>10.327</b>	<b>3.846</b>	<b>.647</b>
<b>Distributions</b>						
Dividends from Net Investment Income	(.984)	(.805)	(1.026)	(.741)	(.876)	(.789)
Distributions from Realized Capital Gains	—	(.096)	(4.993)	(.096)	—	(.028)
<b>Total Distributions</b>	<b>(.984)</b>	<b>(.901)</b>	<b>(6.019)</b>	<b>(.837)</b>	<b>(.876)</b>	<b>(.817)</b>
<b>Net Asset Value, End of Period</b>	<b>\$47.50</b>	<b>\$41.00</b>	<b>\$35.44</b>	<b>\$50.09</b>	<b>\$40.60</b>	<b>\$37.63</b>
<b>Total Return<sup>3</sup></b>	<b>18.42%</b>	<b>18.48%</b>	<b>-20.18%</b>	<b>25.65%</b>	<b>10.26%</b>	<b>2.07%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$69,280	\$56,637	\$44,736	\$21,583	\$22,979	\$19,470
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.67%	2.24%	2.10%	1.68%	2.08%	2.36%
Portfolio Turnover Rate	0% <sup>5</sup>	2% <sup>5</sup>	4% <sup>5</sup>	4%	9%	3%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 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.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2050 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2050 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. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.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. **Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2024, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.
4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. 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 investment advisory, 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 six months ended March 31, 2024, 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.** The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants

## Target Retirement 2050 Fund

improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2024, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$'000)
Tax Cost	49,506,663
Gross Unrealized Appreciation	20,600,568
Gross Unrealized Depreciation	(850,130)
Net Unrealized Appreciation (Depreciation)	19,750,438

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at September 30, 2023, the fund had available capital losses totaling \$58,854,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending September 30, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	126,352	246,763
Issued in Lieu of Cash Distributions	30,329	29,841
Redeemed	(79,426)	(157,371)
Net Increase (Decrease) in Shares Outstanding	77,255	119,233

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

	Current Period Transactions							
	Sep. 30, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2024 Market Value (\$000)
Vanguard Market Liquidity Fund	595,128	NA <sup>2</sup>	NA <sup>2</sup>	17	(58)	14,336	3	527,008
Vanguard Total Bond Market II Index Fund	3,975,264	595,324	150,309	(2,286)	160,066	73,091	—	4,578,059
Vanguard Total International Bond II Index Fund	1,552,897	484,157	13,419	218	47,109	59,696	—	2,070,962
Vanguard Total International Stock Index Fund	20,316,546	1,985,340	227,855	35,193	2,638,887	409,084	—	24,748,111
Vanguard Total Stock Market Index Fund	30,192,144	644,799	320,118	182,732	6,626,230	272,618	—	37,325,787
<b>Total</b>	<b>56,631,979</b>	<b>3,709,620</b>	<b>711,701</b>	<b>215,874</b>	<b>9,472,234</b>	<b>828,825</b>	<b>3</b>	<b>69,249,927</b>

1 Includes \$447,300,000 of portfolio securities delivered as a result of in-kind redemptions of the fund's capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2024, that would require recognition or disclosure in these financial statements.



# Target Retirement 2055 Fund

## Underlying Vanguard Funds

As of March 31, 2024

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Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.2%
Vanguard Total International Stock Index Fund Investor Shares	36.0
Vanguard Total Bond Market II Index Fund Investor Shares	6.8
Vanguard Total International Bond II Index Fund Institutional Shares	3.0

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The table reflects the fund's investments, except for short-term investments and derivatives.

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2024

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.3%)</b>		
<b>U.S. Stock Fund (53.8%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	104,052,825	24,712,546
<b>International Stock Fund (35.8%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	849,467,659	16,437,199
<b>U.S. Bond Fund (6.7%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	326,629,680	3,080,118
<b>International Bond Fund (3.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	51,928,778	1,373,516
<b>Total Investment Companies (Cost \$34,861,617)</b>		<b>45,603,379</b>
<b>Temporary Cash Investments (0.7%)</b>		
<b>Money Market Fund (0.7%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 5.407% (Cost \$309,714)	3,098,242	309,763
<b>Total Investments (100.0%) (Cost \$35,171,331)</b>		<b>45,913,142</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>20,470</b>
<b>Net Assets (100%)</b>		<b>45,933,612</b>

Cost is in \$000.

• 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.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2024	1,385	153,454	571
E-mini S&P 500 Index	June 2024	681	180,754	3,993
				<u>4,564</u>

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

# Statement of Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$35,171,331)	45,913,142
Cash Collateral Pledged—Futures Contracts	10,749
Receivables for Accrued Income	13,084
Receivables for Capital Shares Issued	63,062
Variation Margin Receivable—Futures Contracts	230
<b>Total Assets</b>	<b>46,000,267</b>
<b>Liabilities</b>	
Due to Custodian	314
Payables for Investment Securities Purchased	25,411
Payables for Capital Shares Redeemed	40,930
<b>Total Liabilities</b>	<b>66,655</b>
<b>Net Assets</b>	<b>45,933,612</b>

At March 31, 2024, net assets consisted of:

Paid-in Capital	34,904,643
Total Distributable Earnings (Loss)	11,028,969
<b>Net Assets</b>	<b>45,933,612</b>

**Net Assets**

Applicable to 866,699,701 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	45,933,612
<b>Net Asset Value Per Share</b>	<b>\$53.00</b>

# Statement of Operations

Six Months Ended  
March 31, 2024

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	544,702
<b>Net Investment Income— Note B</b>	<b>544,702</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	2
Affiliated Funds Sold <sup>1</sup>	157,256
Futures Contracts	16,884
<b>Realized Net Gain (Loss)</b>	<b>174,142</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	6,202,590
Futures Contracts	17,288
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>6,219,878</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>6,938,722</b>

1 Includes \$158,282,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	544,702	757,392
Realized Net Gain (Loss)	174,142	502,355
Change in Unrealized Appreciation (Depreciation)	6,219,878	3,870,705
Net Increase (Decrease) in Net Assets Resulting from Operations	6,938,722	5,130,452
<b>Distributions</b>		
Total Distributions	(888,536)	(648,927)
<b>Capital Share Transactions</b>		
Issued	4,576,110	8,314,898
Issued in Lieu of Cash Distributions	873,723	638,183
Redeemed	(2,331,233)	(4,239,814)
Net Increase (Decrease) from Capital Share Transactions	3,118,600	4,713,267
Total Increase (Decrease)	9,168,786	9,194,792
<b>Net Assets</b>		
Beginning of Period	36,764,826	27,570,034
End of Period	45,933,612	36,764,826

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$45.74</b>	<b>\$39.46</b>	<b>\$54.38</b>	<b>\$44.08</b>	<b>\$40.84</b>	<b>\$40.95</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.655	1.011	.981	.868	.862	.929
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.000 <sup>2</sup>	.010	.034	—	—
Net Realized and Unrealized Gain (Loss) on Investments	7.688	6.192	(10.672)	10.295	3.307	(.209)
<b>Total from Investment Operations</b>	<b>8.343</b>	<b>7.203</b>	<b>(9.681)</b>	<b>11.197</b>	<b>4.169</b>	<b>.720</b>
<b>Distributions</b>						
Dividends from Net Investment Income	(1.083)	(.885)	(1.099)	(.791)	(.929)	(.830)
Distributions from Realized Capital Gains	—	(.038)	(4.140)	(.106)	—	—
<b>Total Distributions</b>	<b>(1.083)</b>	<b>(.923)</b>	<b>(5.239)</b>	<b>(.897)</b>	<b>(.929)</b>	<b>(.830)</b>
<b>Net Asset Value, End of Period</b>	<b>\$53.00</b>	<b>\$45.74</b>	<b>\$39.46</b>	<b>\$54.38</b>	<b>\$44.08</b>	<b>\$40.84</b>
<b>Total Return<sup>3</sup></b>	<b>18.40%</b>	<b>18.48%</b>	<b>-20.17%</b>	<b>25.61%</b>	<b>10.25%</b>	<b>2.09%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$45,934	\$36,765	\$27,570	\$12,516	\$12,901	\$10,202
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.67%	2.25%	2.10%	1.68%	2.09%	2.37%
Portfolio Turnover Rate	0% <sup>5</sup>	1% <sup>5</sup>	4% <sup>5</sup>	6%	8%	3%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 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.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2055 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2055 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. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.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. **Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2024, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.
4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. 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 investment advisory, 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 six months ended March 31, 2024, 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.** The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants



## Target Retirement 2055 Fund

improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2024, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	35,242,209
Gross Unrealized Appreciation	11,242,001
Gross Unrealized Depreciation	(566,504)
Net Unrealized Appreciation (Depreciation)	10,675,497

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at September 30, 2023, the fund had available capital losses totaling \$18,540,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending September 30, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	93,107	185,243
Issued in Lieu of Cash Distributions	17,587	15,300
Redeemed	(47,837)	(95,370)
Net Increase (Decrease) in Shares Outstanding	62,857	105,173

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

	Current Period Transactions							
	Sep. 30, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2024 Market Value (\$000)
Vanguard Market Liquidity Fund	366,319	NA <sup>2</sup>	NA <sup>2</sup>	18	(39)	8,619	2	309,763
Vanguard Total Bond Market II Index Fund	2,582,067	452,541	58,146	294	103,362	48,449	—	3,080,118
Vanguard Total International Bond II Index Fund	1,002,290	354,204	14,080	(94)	31,196	39,338	—	1,373,516
Vanguard Total International Stock Index Fund	13,247,927	1,592,918	166,242	27,418	1,735,178	269,021	—	16,437,199
Vanguard Total Stock Market Index Fund	19,565,411	920,201	235,579	129,620	4,332,893	179,275	—	24,712,546
Total	36,764,014	3,319,864	474,047	157,256	6,202,590	544,702	2	45,913,142

1 Includes \$386,010,000 of portfolio securities delivered as a result of in-kind redemptions of the fund's capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2024, that would require recognition or disclosure in these financial statements.

# Target Retirement 2060 Fund

## Underlying Vanguard Funds

As of March 31, 2024

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.1%
Vanguard Total International Stock Index Fund Investor Shares	36.2
Vanguard Total Bond Market II Index Fund Investor Shares	6.7
Vanguard Total International Bond II Index Fund Institutional Shares	3.0

The table reflects the fund's investments, except for short-term investments and derivatives.

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2024

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.1%)</b>		
<b>U.S. Stock Fund (53.6%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	57,461,057	13,647,001
<b>International Stock Fund (35.9%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	472,019,781	9,133,583
<b>U.S. Bond Fund (6.6%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	179,439,610	1,692,116
<b>International Bond Fund (3.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	28,833,512	762,646
<b>Total Investment Companies (Cost \$20,096,794)</b>		<b>25,235,346</b>
<b>Temporary Cash Investments (0.8%)</b>		
<b>Money Market Fund (0.8%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 5.407% (Cost \$203,225)	2,032,924	203,252
<b>Total Investments (99.9%) (Cost \$20,300,019)</b>		<b>25,438,598</b>
<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>23,570</b>
<b>Net Assets (100%)</b>		<b>25,462,168</b>

Cost is in \$000.

• 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.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2024	885	98,055	377
E-mini S&P 500 Index	June 2024	458	121,565	2,685
				<b>3,062</b>

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

# Statement of Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$20,300,019)	25,438,598
Cash Collateral Pledged—Futures Contracts	7,205
Receivables for Accrued Income	7,334
Receivables for Capital Shares Issued	43,130
Variation Margin Receivable—Futures Contracts	90
<b>Total Assets</b>	<b>25,496,357</b>
<b>Liabilities</b>	
Due to Custodian	148
Payables for Investment Securities Purchased	18,219
Payables for Capital Shares Redeemed	15,822
<b>Total Liabilities</b>	<b>34,189</b>
<b>Net Assets</b>	<b>25,462,168</b>

At March 31, 2024, net assets consisted of:

Paid-in Capital	20,176,001
Total Distributable Earnings (Loss)	5,286,167
<b>Net Assets</b>	<b>25,462,168</b>

**Net Assets**

Applicable to 521,442,481 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	25,462,168
<b>Net Asset Value Per Share</b>	<b>\$48.83</b>

# Statement of Operations

Six Months Ended  
March 31, 2024

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	298,029
<b>Net Investment Income— Note B</b>	<b>298,029</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	1
Affiliated Funds Sold <sup>1</sup>	64,720
Futures Contracts	11,688
<b>Realized Net Gain (Loss)</b>	<b>76,409</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	3,407,886
Futures Contracts	9,978
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>3,417,864</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>3,792,302</b>

<sup>1</sup> Includes \$65,521,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	298,029	393,439
Realized Net Gain (Loss)	76,409	188,523
Change in Unrealized Appreciation (Depreciation)	3,417,864	1,995,500
Net Increase (Decrease) in Net Assets Resulting from Operations	3,792,302	2,577,462
<b>Distributions</b>		
Total Distributions	(474,148)	(313,855)
<b>Capital Share Transactions</b>		
Issued	3,328,110	5,725,418
Issued in Lieu of Cash Distributions	464,827	307,570
Redeemed	(1,346,197)	(2,278,877)
Net Increase (Decrease) from Capital Share Transactions	2,446,740	3,754,111
Total Increase (Decrease)	5,764,894	6,017,718
<b>Net Assets</b>		
Beginning of Period	19,697,274	13,679,556
End of Period	25,462,168	19,697,274

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,			Year Ended September 30,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$42.12</b>	<b>\$36.30</b>	<b>\$48.04</b>	<b>\$38.95</b>	<b>\$36.07</b>	<b>\$36.16</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.605	.936	.903	.773	.762	.822
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.000 <sup>2</sup>	.009	.029	—	—
Net Realized and Unrealized Gain (Loss) on Investments	7.083	5.697	(9.930)	9.085	2.922	(.192)
<b>Total from Investment Operations</b>	<b>7.688</b>	<b>6.633</b>	<b>(9.018)</b>	<b>9.887</b>	<b>3.684</b>	<b>.630</b>
<b>Distributions</b>						
Dividends from Net Investment Income	(.978)	(.813)	(.936)	(.684)	(.804)	(.717)
Distributions from Realized Capital Gains	—	—	(1.786)	(.113)	—	(.003)
<b>Total Distributions</b>	<b>(.978)</b>	<b>(.813)</b>	<b>(2.722)</b>	<b>(.797)</b>	<b>(.804)</b>	<b>(.720)</b>
<b>Net Asset Value, End of Period</b>	<b>\$48.83</b>	<b>\$42.12</b>	<b>\$36.30</b>	<b>\$48.04</b>	<b>\$38.95</b>	<b>\$36.07</b>
<b>Total Return<sup>3</sup></b>	<b>18.41%</b>	<b>18.49%</b>	<b>-20.16%</b>	<b>25.60%</b>	<b>10.25%</b>	<b>2.07%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$25,462	\$19,697	\$13,680	\$6,658	\$6,027	\$4,359
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.68%	2.26%	2.10%	1.69%	2.09%	2.37%
Portfolio Turnover Rate	0% <sup>5</sup>	1% <sup>5</sup>	3% <sup>5</sup>	8%	6%	2%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

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## Notes to Financial Statements

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## Target Retirement 2060 Fund

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	Amount (\$000)
Tax Cost	20,324,598
Gross Unrealized Appreciation	5,406,948
Gross Unrealized Depreciation	(289,886)
Net Unrealized Appreciation (Depreciation)	5,117,062

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at September 30, 2023, the fund had available capital losses totaling \$19,796,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending September 30, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	73,514	138,419
Issued in Lieu of Cash Distributions	10,156	8,008
Redeemed	(29,886)	(55,574)
Net Increase (Decrease) in Shares Outstanding	53,784	90,853

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

	Current Period Transactions							
	Sep. 30, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Mar. 31, 2024 Market Value (\$000)
Vanguard Market Liquidity Fund	201,765	NA <sup>2</sup>	NA <sup>2</sup>	5	(19)	5,368	1	203,252
Vanguard Total Bond Market II Index Fund	1,371,534	315,157	51,101	(580)	57,106	26,160	—	1,692,116
Vanguard Total International Bond II Index Fund	534,345	216,551	5,255	86	16,919	21,593	—	762,646
Vanguard Total International Stock Index Fund	7,092,119	1,158,711	84,302	11,378	955,677	146,863	—	9,133,583
Vanguard Total Stock Market Index Fund	10,498,675	810,873	94,581	53,831	2,378,203	98,045	—	13,647,001
Total	19,698,438	2,501,292	235,239	64,720	3,407,886	298,029	1	25,438,598

1 Includes \$175,150,000 of portfolio securities delivered as a result of in-kind redemptions of the fund's capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2024, that would require recognition or disclosure in these financial statements.

# Target Retirement 2065 Fund

## Underlying Vanguard Funds

As of March 31, 2024

Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.0%
Vanguard Total International Stock Index Fund Investor Shares	36.4
Vanguard Total Bond Market II Index Fund Investor Shares	6.6
Vanguard Total International Bond II Index Fund Institutional Shares	3.0

The table reflects the fund's investments, except for short-term investments and derivatives.

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2024

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.0%)</b>		
<b>U.S. Stock Fund (53.4%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	16,122,332	3,829,054
<b>International Stock Fund (36.0%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	133,251,825	2,578,423
<b>U.S. Bond Fund (6.6%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	49,954,508	471,071
<b>International Bond Fund (3.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	8,090,264	213,987
<b>Total Investment Companies (Cost \$6,036,527)</b>		<b>7,092,535</b>
<b>Temporary Cash Investments (1.0%)</b>		
<b>Money Market Fund (1.0%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 5.407% (Cost \$70,722)	707,419	70,728
<b>Total Investments (100.0%) (Cost \$6,107,249)</b>		<b>7,163,263</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(2,853)</b>
<b>Net Assets (100%)</b>		<b>7,160,410</b>

Cost is in \$000.

• 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.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
10-Year U.S. Treasury Note	June 2024	304	33,682	125
E-mini S&P 500 Index	June 2024	153	40,610	897
				<u>1,022</u>

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

# Statement of Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$6,107,249)	7,163,263
Cash Collateral Pledged—Futures Contracts	2,410
Receivables for Accrued Income	2,091
Receivables for Capital Shares Issued	19,422
Variation Margin Receivable—Futures Contracts	50
<b>Total Assets</b>	<b>7,187,236</b>
<b>Liabilities</b>	
Due to Custodian	69
Payables for Investment Securities Purchased	15,978
Payables for Capital Shares Redeemed	10,779
<b>Total Liabilities</b>	<b>26,826</b>
<b>Net Assets</b>	<b>7,160,410</b>

At March 31, 2024, net assets consisted of:

Paid-in Capital	6,072,494
Total Distributable Earnings (Loss)	1,087,916
<b>Net Assets</b>	<b>7,160,410</b>

**Net Assets**

Applicable to 223,672,556 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	7,160,410
<b>Net Asset Value Per Share</b>	<b>\$32.01</b>

# Statement of Operations

Six Months Ended  
March 31, 2024

	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	81,555
<b>Net Investment Income— Note B</b>	<b>81,555</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold <sup>1</sup>	14,250
Futures Contracts	4,061
<b>Realized Net Gain (Loss)</b>	<b>18,311</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Affiliated Funds	930,842
Futures Contracts	2,993
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>933,835</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,033,701</b>

1 Includes \$14,246,000 of net gain (loss) resulting from in-kind redemptions.



## Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	81,555	97,583
Realized Net Gain (Loss)	18,311	21,392
Change in Unrealized Appreciation (Depreciation)	933,835	483,869
Net Increase (Decrease) in Net Assets Resulting from Operations	1,033,701	602,844
<b>Distributions</b>		
Total Distributions	(123,878)	(70,815)
<b>Capital Share Transactions</b>		
Issued	1,399,306	2,130,702
Issued in Lieu of Cash Distributions	120,545	68,514
Redeemed	(459,783)	(673,806)
Net Increase (Decrease) from Capital Share Transactions	1,060,068	1,525,410
Total Increase (Decrease)	1,969,891	2,057,439
<b>Net Assets</b>		
Beginning of Period	5,190,519	3,133,080
End of Period	7,160,410	5,190,519

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,		Year Ended September 30,			
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$27.59</b>	<b>\$23.76</b>	<b>\$30.31</b>	<b>\$24.52</b>	<b>\$22.69</b>	<b>\$22.64</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.399	.617	.594	.500	.485	.529
Capital Gain Distributions Received <sup>1</sup>	.000 <sup>2</sup>	.000 <sup>2</sup>	.005	.017	—	—
Net Realized and Unrealized Gain (Loss) on Investments	4.638	3.723	(6.543)	5.712	1.802	(.116)
<b>Total from Investment Operations</b>	<b>5.037</b>	<b>4.340</b>	<b>(5.944)</b>	<b>6.229</b>	<b>2.287</b>	<b>.413</b>
<b>Distributions</b>						
Dividends from Net Investment Income	(.617)	(.510)	(.535)	(.400)	(.457)	(.363)
Distributions from Realized Capital Gains	—	—	(.071)	(.039)	—	.000 <sup>2</sup>
<b>Total Distributions</b>	<b>(.617)</b>	<b>(.510)</b>	<b>(.606)</b>	<b>(.439)</b>	<b>(.457)</b>	<b>(.363)</b>
<b>Net Asset Value, End of Period</b>	<b>\$32.01</b>	<b>\$27.59</b>	<b>\$23.76</b>	<b>\$30.31</b>	<b>\$24.52</b>	<b>\$22.69</b>
<b>Total Return<sup>3</sup></b>	<b>18.41%</b>	<b>18.47%</b>	<b>-20.10%</b>	<b>25.59%</b>	<b>10.11%</b>	<b>2.09%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$7,160	\$5,191	\$3,133	\$1,430	\$864	\$420
Ratio of Total Expenses to Average Net Assets	—	—	—	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.08%	0.09% <sup>4</sup>	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.69%	2.27%	2.13%	1.72%	2.11%	2.42%
Portfolio Turnover Rate	0% <sup>5</sup>	1% <sup>5</sup>	2% <sup>5</sup>	5%	6%	2%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 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.

4 The Acquired Fund Fees and Expenses (AFFE) of 0.09% reflects the blended amount of expenses for the year ended September 30, 2022. Before the acquisition of Vanguard Institutional Target Retirement 2065 Fund on February 11, 2022, the AFFE was 0.15% on an annualized basis. Following the acquisition, the AFFE was 0.08% on an annualized basis.

5 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

## Notes to Financial Statements

Vanguard Target Retirement 2065 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. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.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. **Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2024, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.
4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. **Credit Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. **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 investment advisory, 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 six months ended March 31, 2024, 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.** The fund's SEC registrant (the Vanguard Chester Funds (the "Trust")), certain officers and trustees of the Trust, and The Vanguard Group Inc. (collectively, the "Defendants") were named in putative class action lawsuits filed in 2022 by certain investors (the "Plaintiffs") in the U.S. District Court for the Eastern District of Pennsylvania; these class action lawsuits were later consolidated into one action. The Plaintiffs assert claims related to their allegations that the Defendants

## Target Retirement 2065 Fund

improperly decided to lower minimum investment limits in 2020 for the Trust's Institutional Target Retirement funds for certain smaller retirement plan participants, which purportedly harmed certain investors in taxable accounts. The Plaintiffs seek damages and various other forms of relief. The Defendants do not agree with these allegations and claims and intend to vigorously defend against them.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At March 31, 2024, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	6,117,099
Gross Unrealized Appreciation	1,124,095
Gross Unrealized Depreciation	(76,909)
Net Unrealized Appreciation (Depreciation)	1,047,186

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at September 30, 2023, the fund had available capital losses totaling \$7,204,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending September 30, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	47,078	78,495
Issued in Lieu of Cash Distributions	4,018	2,723
Redeemed	(15,545)	(24,968)
Net Increase (Decrease) in Shares Outstanding	35,551	56,250

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

	Current Period Transactions							Mar. 31, 2024 Market Value (\$000)
	Sep. 30, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	61,345	NA <sup>2</sup>	NA <sup>2</sup>	—	(6)	1,757	—	70,728
Vanguard Total Bond Market II Index Fund	356,384	107,048	7,256	84	14,811	7,008	—	471,071
Vanguard Total International Bond II Index Fund	141,395	69,542	1,519	26	4,543	5,870	—	213,987
Vanguard Total International Stock Index Fund	1,864,657	467,556	18,230	3,031	261,409	40,008	—	2,578,423
Vanguard Total Stock Market Index Fund	2,763,712	431,494	27,346	11,109	650,085	26,912	—	3,829,054
<b>Total</b>	<b>5,187,493</b>	<b>1,075,640</b>	<b>54,351</b>	<b>14,250</b>	<b>930,842</b>	<b>81,555</b>	<b>—</b>	<b>7,163,263</b>

1 Includes \$50,640,000 of portfolio securities delivered as a result of in-kind redemptions of the fund's capital shares.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to March 31, 2024, that would require recognition or disclosure in these financial statements.

# Target Retirement 2070 Fund

## Underlying Vanguard Funds

As of March 31, 2024

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Vanguard Total Stock Market Index Fund Institutional Plus Shares	54.0%
Vanguard Total International Stock Index Fund Investor Shares	36.0
Vanguard Total Bond Market II Index Fund Investor Shares	7.0
Vanguard Total International Bond II Index Fund Institutional Shares	3.0

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The table reflects the fund's investments, except for short-term investments.

# Financial Statements (unaudited)

## Schedule of Investments

As of March 31, 2024

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)
<b>Investment Companies (99.8%)</b>		
<b>U.S. Stock Fund (53.9%)</b>		
Vanguard Total Stock Market Index Fund Institutional Plus Shares	1,504,949	357,425
<b>International Stock Fund (35.9%)</b>		
Vanguard Total International Stock Index Fund Investor Shares	12,317,236	238,339
<b>U.S. Bond Fund (7.0%)</b>		
<sup>1</sup> Vanguard Total Bond Market II Index Fund Investor Shares	4,932,405	46,513
<b>International Bond Fund (3.0%)</b>		
<sup>1</sup> Vanguard Total International Bond II Index Fund Institutional Shares	752,143	19,894
<b>Total Investment Companies (Cost \$586,899)</b>		<b>662,171</b>
<b>Temporary Cash Investments (0.3%)</b>		
<b>Money Market Fund (0.3%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 5.407% (Cost \$1,796)	17,964	1,796
<b>Total Investments (100.1%) (Cost \$588,695)</b>		<b>663,967</b>
<b>Other Assets and Liabilities—Net (-0.1%)</b>		<b>(483)</b>
<b>Net Assets (100%)</b>		<b>663,484</b>

Cost is in \$000.

• 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 Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value—Affiliated Funds (Cost \$588,695)	663,967
Receivables for Accrued Income	174
Receivables for Capital Shares Issued	2,730
<b>Total Assets</b>	<b>666,871</b>
<b>Liabilities</b>	
Due to Custodian	10
Payables for Investment Securities Purchased	2,647
Payables for Capital Shares Redeemed	730
<b>Total Liabilities</b>	<b>3,387</b>
<b>Net Assets</b>	<b>663,484</b>

At March 31, 2024, net assets consisted of:

Paid-in Capital	586,556
Total Distributable Earnings (Loss)	76,928
<b>Net Assets</b>	<b>663,484</b>

## Net Assets

Applicable to 26,196,896 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	663,484
<b>Net Asset Value Per Share</b>	<b>\$25.33</b>

# Statement of Operations

	Six Months Ended March 31, 2024
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Income Distributions Received from Affiliated Funds	6,289
<b>Net Investment Income— Note B</b>	<b>6,289</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received from Affiliated Funds	—
Affiliated Funds Sold	11
Futures Contracts	16
<b>Realized Net Gain (Loss)</b>	<b>27</b>
<b>Change in Unrealized Appreciation (Depreciation) from Affiliated Funds</b>	<b>73,530</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>79,846</b>

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

## Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	6,289	3,677
Realized Net Gain (Loss)	27	(30)
Change in Unrealized Appreciation (Depreciation)	73,530	4,653
Net Increase (Decrease) in Net Assets Resulting from Operations	79,846	8,300
<b>Distributions</b>		
Total Distributions	(7,044)	(626)
<b>Capital Share Transactions</b>		
Issued	337,256	317,437
Issued in Lieu of Cash Distributions	6,795	608
Redeemed	(68,048)	(42,943)
Net Increase (Decrease) from Capital Share Transactions	276,003	275,102
Total Increase (Decrease)	348,805	282,776
<b>Net Assets</b>		
Beginning of Period	314,679	31,903
End of Period	663,484	314,679

## Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31, 2024	Year Ended September 30, 2023	June 28, 2022 <sup>1</sup> to September 30, 2022
<b>Net Asset Value, Beginning of Period</b>	<b>\$21.72</b>	<b>\$18.50</b>	<b>\$20.00</b>
<b>Investment Operations</b>			
Net Investment Income <sup>2</sup>	.319	.523	.113
Capital Gain Distributions Received <sup>2</sup>	.000 <sup>3</sup>	—	—
Net Realized and Unrealized Gain (Loss) on Investments	3.664	2.879	(1.613)
Total from Investment Operations	3.983	3.402	(1.500)
<b>Distributions</b>			
Dividends from Net Investment Income	(.373)	(.182)	—
Distributions from Realized Capital Gains	—	—	—
Total Distributions	(.373)	(.182)	—
<b>Net Asset Value, End of Period</b>	<b>\$25.33</b>	<b>\$21.72</b>	<b>\$18.50</b>
<b>Total Return<sup>4</sup></b>	<b>18.45%</b>	<b>18.49%</b>	<b>-7.50%</b>
<b>Ratios/Supplemental Data</b>			
Net Assets, End of Period (Millions)	\$663	\$315	\$32
Ratio of Total Expenses to Average Net Assets	—	—	—
Acquired Fund Fees and Expenses	0.08%	0.08%	0.08% <sup>5</sup>
Ratio of Net Investment Income to Average Net Assets	2.71%	2.40%	2.15% <sup>5</sup>
Portfolio Turnover Rate	0%	2%	44%

The expense ratio, acquired fund fees and expenses, and net investment income ratio for the current period have been annualized.

1 Inception.

2 Calculated based on average shares outstanding.

3 Distribution was less than \$.001 per share.

4 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.

5 Annualized.

## Notes to Financial Statements

Vanguard Target Retirement 2070 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. The fund invests a substantial amount of its assets in Vanguard Total Stock Market Index Fund. Financial statements and other information about each underlying fund are available at [www.vanguard.com](http://www.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. **Futures Contracts:** The fund uses stock and bond futures contracts to a limited extent, with the objectives of maintaining full exposure to the market and maintaining its target asset allocation. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of investments held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended March 31, 2024, the fund's average investments in long and short futures contracts represented less than 1% of net assets, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at March 31, 2024.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.
4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. **Credit Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended March 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. **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 investment advisory, 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 six months ended March 31, 2024, 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.

## Target Retirement 2070 Fund

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 Schedule of Investments.

At March 31, 2024, 100% of the market value of the fund's investments was determined based on Level 1 inputs.

D. As of March 31, 2024, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	589,472
Gross Unrealized Appreciation	74,862
Gross Unrealized Depreciation	(367)
Net Unrealized Appreciation (Depreciation)	74,495

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at September 30, 2023, the fund had available capital losses totaling \$15,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending September 30, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

E. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	14,329	14,713
Issued in Lieu of Cash Distributions	286	31
Redeemed	(2,904)	(1,983)
Net Increase (Decrease) in Shares Outstanding	11,711	12,761

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

	Current Period Transactions							Mar. 31, 2024 Market Value (\$000)
	Sep. 30, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	1,253	NA <sup>1</sup>	NA <sup>1</sup>	—	—	25	—	1,796
Vanguard Total Bond Market II Index Fund	22,081	23,401	—	—	1,031	562	—	46,513
Vanguard Total International Bond II Index Fund	9,434	10,137	—	—	323	469	—	19,894
Vanguard Total International Stock Index Fund	113,108	104,754	226	11	20,692	3,015	—	238,339
Vanguard Total Stock Market Index Fund	169,577	136,364	—	—	51,484	2,218	—	357,425
<b>Total</b>	<b>315,453</b>	<b>274,656</b>	<b>226</b>	<b>11</b>	<b>73,530</b>	<b>6,289</b>	<b>—</b>	<b>663,967</b>

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

G. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

H. Management has determined that no events or transactions occurred subsequent to March 31, 2024, that would require recognition or disclosure in these financial statements.



# Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Target Retirement Funds has renewed each fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing each fund's internalized management structure was in the best interests of the funds and their shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations conducted by the Portfolio Review Department. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received periodic reports throughout the year, which included information about each fund's performance relative to its peers and benchmark, as applicable, and updates, as needed, on the Portfolio Review Department's ongoing assessment of the advisor.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. Rather, it was the totality of the circumstances that drove the board's decisions.

## **Nature, extent, and quality of services**

The board reviewed the quality of the funds' investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangements.

## **Investment performance**

The board considered the performance of each fund, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangements should continue.

## **Cost**

The board concluded that each fund's acquired fund fees and expenses were below the average expense ratios charged by funds in its respective peer group. The funds do not incur advisory expenses directly; however, the board noted that each of the underlying funds in which the funds invest has advisory expenses below the relevant peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

**The benefit of economies of scale**

The board concluded that Vanguard's arrangements with the Target Retirement Funds and their underlying funds ensure that the funds will realize economies of scale as they grow, with the cost to shareholders declining as assets increase.

The board will consider whether to renew the advisory arrangements again after a one-year period.

# Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund’s liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors’ interests in the fund.

Assessment and management of a fund’s liquidity risk under the Program take into consideration certain factors, such as the fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Chester Funds approved the appointment of liquidity risk management program administrators responsible for administering the Program for Vanguard Target Retirement 2045 Fund, Vanguard Target Retirement 2050 Fund, Vanguard Target Retirement 2055 Fund, Vanguard Target Retirement 2060 Fund, Vanguard Target Retirement 2065 Fund, and Vanguard Target Retirement 2070 Fund, and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2023, through December 31, 2023 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the funds’ liquidity risk.

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