



# Vanguard Balanced Index Fund Summary Prospectus

April 26, 2024

## Investor Shares

Vanguard Balanced Index Fund Investor Shares (VBINX)

**The Fund's statutory Prospectus and Statement of Additional Information dated April 26, 2024, as may be amended or supplemented, are incorporated into and made part of this Summary Prospectus by reference.**

**Before you invest, you may want to review the Fund's Prospectus, which contains more information about the Fund and its risks. You can find the Fund's Prospectus and other information about the Fund online at [www.vanguard.com/prospectus](http://www.vanguard.com/prospectus) and <https://personal.vanguard.com/us/literature/reports/MFs>. You can also obtain this information at no cost by calling 800-662-7447 or by sending an email request to [online@vanguard.com](mailto:online@vanguard.com).**

**The Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

## Investment Objective

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

## Fees and Expenses

The following tables describe the fees and expenses you may pay if you buy, hold, and sell Investor Shares of the Fund. **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the tables and example below.**

### Shareholder Fees

(Fees paid directly from your investment)

|   |      |
|---|------|
| Sales Charge (Load) Imposed on Purchases  | None |
| Purchase Fee  | None |
| Sales Charge (Load) Imposed on Reinvested Dividends                                   | None |
| Redemption Fee  | None |
| Account Service Fee Per Year<br>(for certain fund account balances below \$5,000,000) | \$25 |

### Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

|                                      |       |
|--------------------------------------|-------|
| Management Fees                      | 0.17% |
| 12b-1 Distribution Fee               | None  |
| Other Expenses                       | 0.01% |
| Total Annual Fund Operating Expenses | 0.18% |

## Example

The following example is intended to help you compare the cost of investing in the Fund's Investor Shares with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Fund's shares. This example assumes that the shares provide a return of 5% each year and that total annual fund operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

| 1 Year | 3 Years | 5 Years | 10 Years |
|--------|---------|---------|----------|
| \$18   | \$58    | \$101   | \$230    |

## Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the previous expense example, reduce the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 19% of the average value of its portfolio.

## Principal Investment Strategies

The Fund employs an indexing investment approach designed to track the performance of two benchmark indexes. The Fund invests by *sampling* its target indexes, meaning that it holds a range of securities that, in the aggregate, approximates the full indexes in terms of key characteristics.

With approximately 60% of its assets, the Fund seeks to track the investment performance of the CRSP US Total Market Index (the Index), which represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks. The Fund samples the Index by holding a broadly diversified collection of stocks that, in the aggregate, approximates the full Index.

With approximately 40% of its assets, the Fund seeks to track the investment performance of the Bloomberg U.S. Aggregate Float Adjusted Index (the Index), which represents a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than 1 year. At least 80% of the bond portion of the Fund is invested in bonds held in the Bloomberg U.S. Aggregate Float Adjusted Index, and all of the Fund's bond holdings are

selected through the sampling process. The bond portion of the Fund maintains a dollar-weighted average maturity consistent with that of the Index. As of December 31, 2023, the dollar-weighted average maturity of the Index was 8.49 years.

### Principal Risks

The Fund is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money, **and the level of risk may vary based on market conditions**. However, because stock and bond prices can move in different directions or to different degrees, the Fund's bond holdings may counteract some of the volatility experienced by the Fund's stock holdings.

With approximately 60% of its assets allocated to stocks, the Fund is proportionately subject to:

- *Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, the Fund's target stock index may, at times, become focused in stocks of a particular market sector, which would subject the Fund to proportionately higher exposure to the risks of that sector.

With approximately 40% of its assets allocated to bonds, the Fund is proportionately subject to:

- *Interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Fund because the Fund invests only a portion of its assets in bonds and because the average duration of the Fund's bond portfolio is generally intermediate-term. The prices of short- and intermediate-term bonds are less sensitive to interest rate changes than are the prices of long-term bonds.
- *Income risk*, which is the chance that the Fund's income will decline because of falling interest rates. A fund holding bonds will experience a decline in income when interest rates fall because the fund then must invest new cash flow and cash from maturing bonds in lower-yielding bonds.
- *Prepayment risk*, which is the chance that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the Fund. The Fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income. Such prepayments and subsequent reinvestments would also increase the Fund's portfolio turnover rate.
- *Extension risk*, which is the chance that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in

interest rates. For funds that invest in mortgage-backed securities, there is a chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates.

- *Call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Fund would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income. Such redemptions and subsequent reinvestments would also increase the Fund's portfolio turnover rate.
- *Credit risk*, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

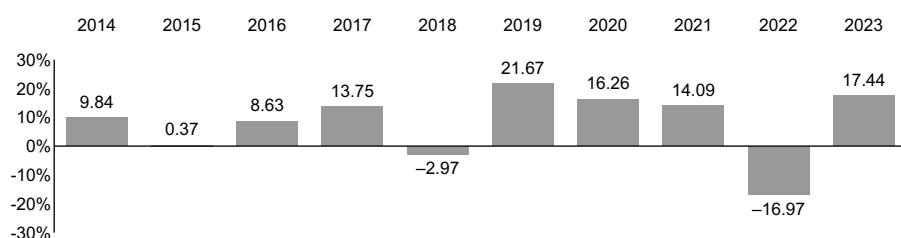
The Fund is also subject to *index sampling risk*, which is the chance that the securities selected for the Fund will not provide investment performance matching that of the Fund's target indexes.

**An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

### **Annual Total Returns**

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's Investor Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the Investor Shares compare with those of relevant market indexes and other comparative indexes, which have investment characteristics similar to those of the Fund. The Balanced Composite Index is weighted 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013, and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter. Keep in mind that the Fund's past performance (before and after taxes) does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [vanguard.com/performance](http://vanguard.com/performance) or by calling Vanguard toll-free at 800-662-7447.

## Annual Total Returns — Vanguard Balanced Index Fund Investor Shares



During the periods shown in the bar chart, the highest and lowest returns for a calendar quarter were:

|         | Total Return | Quarter       |
|---------|--------------|---------------|
| Highest | 14.24%       | June 30, 2020 |
| Lowest  | -12.16%      | June 30, 2022 |

## Average Annual Total Returns for Periods Ended December 31, 2023

|  | 1 Year | 5 Years | 10 Years |
|--|--------|---------|----------|
| <b>Vanguard Balanced Index Fund Investor Shares</b>  |        |         |          |
| Return Before Taxes  | 17.44% | 9.49%   | 7.60%    |
| Return After Taxes on Distributions  | 16.02  | 8.52    | 6.78     |
| Return After Taxes on Distributions and Sale of Fund Shares  | 10.90  | 7.25    | 5.87     |
| <b>CRSP US Total Market Index</b><br>(reflects no deduction for fees, expenses, or taxes)                    | 25.98% | 15.08%  | 11.44%   |
| <b>Bloomberg U.S. Aggregate Float Adjusted Index</b><br>(reflects no deduction for fees, expenses, or taxes) | 5.60   | 1.17    | 1.83     |
| <b>Balanced Composite Index</b><br>(reflects no deduction for fees, expenses, or taxes)                      | 17.69  | 9.96    | 7.96     |

Actual after-tax returns depend on your tax situation and may differ from those shown in the preceding table. When after-tax returns are calculated, it is assumed that the shareholder was in the highest individual federal marginal income tax bracket at the time of each distribution of income or capital gains or upon redemption. State and local income taxes are not reflected in the calculations. Please note that after-tax returns are not relevant for a shareholder who holds fund shares in a tax-deferred account, such as an individual retirement account or a 401(k) plan. Also, figures captioned *Return After Taxes on Distributions and Sale of Fund Shares* may be higher than other figures for the same period if a capital loss occurs upon redemption and results in an assumed tax deduction for the shareholder.

## **Investment Advisor**

The Vanguard Group, Inc. (Vanguard)

### **Portfolio Managers**

Joshua C. Barrickman, CFA, Principal of Vanguard and co-head of Vanguard's Fixed Income Indexing Americas. He has managed the bond portion of the Fund since 2013 (co-managed since 2022).

Aurélie Denis, CFA, Portfolio Manager at Vanguard. She has co-managed the stock portion of the Fund since 2023.

Gerard C. O'Reilly, Portfolio Manager and Principal of Vanguard. He has co-managed the stock portion of the Fund since 2016.

Michael R. Roach, CFA, Portfolio Manager at Vanguard. He has co-managed the stock portion of the Fund since 2023.

Tara Talone, CFA, Portfolio Manager at Vanguard. She has co-managed the bond portion of the Fund since 2022.

## **Purchase and Sale of Fund Shares**

You may purchase or redeem shares online through our website ([vanguard.com](http://vanguard.com)), by mail (The Vanguard Group, P.O. Box 982901, El Paso, TX 79998-2091), or by telephone (800-662-2739). Investor Shares are generally available only to Vanguard funds that operate as funds of funds and to certain retirement plan clients that receive recordkeeping services from Vanguard. Financial intermediaries, institutional clients, and Vanguard-advised clients should contact Vanguard for information on special eligibility rules that may apply to them regarding Investor Shares. If you are investing through an intermediary, please contact that firm directly for more information regarding your eligibility. If you are investing through an employer-sponsored retirement or savings plan, your plan administrator or your benefits office can provide you with detailed information on how you can invest through your plan.

## **Tax Information**

The Fund's distributions may be taxable as ordinary income or capital gain. If you are investing through a tax-advantaged account, such as an IRA or an employer-sponsored retirement or savings plan, special tax rules apply.

## **Payments to Financial Intermediaries**

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares.

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Vanguard Balanced Index Fund Investor Shares—Fund Number 02

To request additional information about the Fund, please visit [vanguard.com](http://vanguard.com) or contact us at 800-662-7447.

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