

Vanguard Balanced Index Fund

Admiral™ Shares (VBIAX)

Annual Shareholder Report | December 31, 2025

This annual shareholder report contains important information about Vanguard Balanced Index Fund (the "Fund") for the period of January 1, 2025, to December 31, 2025. You can find additional information about the Fund at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>. You can also request this information by contacting us at 800-662-7447.

What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

Share Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Admiral Shares	\$7	0.07%

How did the Fund perform during the reporting period?

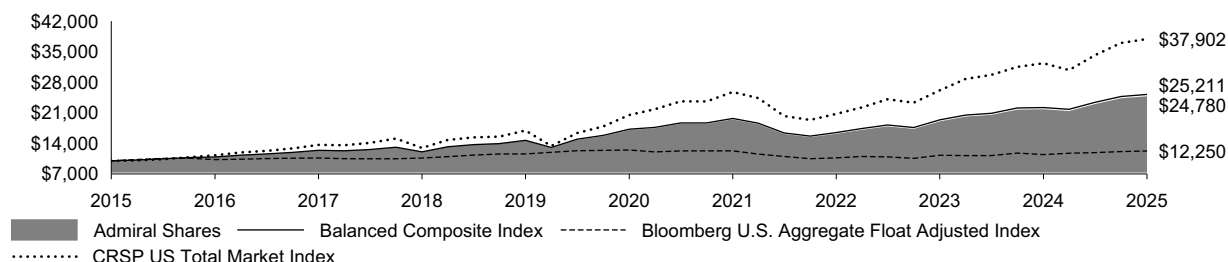
- For the 12 months ended December 31, 2025, the Fund performed in line with its composite benchmark.
- The first part of the year was marked by volatility in the financial markets amid fears that U.S. tariff announcements might spark trade wars and drag down global growth. Despite these concerns, markets posted solid gains for the year, buoyed by optimism surrounding artificial intelligence, robust corporate earnings, and a more dovish monetary policy. The European Central Bank and the Bank of England each cut interest rates four times, while the Federal Reserve lowered rates three times.
- Technology companies accounted for more than half of the return of the CRSP US Total Market Index, the benchmark for the Fund's stock sleeve. Each of the benchmark's 11 industry sectors posted gains, with seven in double digits.
- The Treasury yield curve steepened from its relatively flat position at the start of the year. Except at the longest maturities, yields fell across the spectrum, boosting prices and total returns. The Bloomberg U.S. Aggregate Float Adjusted Index, the Fund's bond benchmark, performed solidly.

How did the Fund perform over the past 10 years?

Keep in mind that the Fund's past performance does not indicate how the Fund will perform in the future. Updated performance information is available on our website at <https://vanguard.com/performance> or by calling Vanguard toll-free at 800-662-7447. The graph and returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: December 31, 2015, Through December 31, 2025

Initial Investment of \$10,000



Average Annual Total Returns

	1 Year	5 Years	10 Years
Admiral Shares	13.58%	7.75%	9.50%
Balanced Composite Index	13.57%	7.89%	9.69%
Bloomberg U.S. Aggregate Float Adjusted Index	7.21%	-0.37%	2.05%
CRSP US Total Market Index	17.15%	13.08%	14.25%

Fund Statistics (as of December 31, 2025)		Portfolio Composition % of Net Assets (as of December 31, 2025)	
Fund Net Assets (in millions)	\$61,231	Asset-Backed/Commercial Mortgage-Backed Securities	0.8%
Number of Portfolio Holdings	15,991	Common Stocks	61.1%
Portfolio Turnover Rate	31%	Corporate Bonds	9.7%
Total Investment Advisory Fees (in thousands)	\$1,112	Preferred Stocks	0.0%
		Rights	0.0%
		Sovereign Bonds	1.2%
		Taxable Municipal Bonds	0.2%
		U.S. Government and Agency Obligations	26.4%
		Other Assets and Liabilities—Net	0.6%
		This table reflects the Fund's investments, including short-term investments, derivatives and other assets and liabilities.	

Where can I find additional information about the Fund?

Additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information is available at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>.

Connect with Vanguard® • vanguard.com

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