

**Vanguard Target Retirement 2040 Fund
Investor Shares (VFORX)**

Annual Shareholder Report | September 30, 2025

This annual shareholder report contains important information about Vanguard Target Retirement 2040 Fund (the "Fund") for the period of October 1, 2024, to September 30, 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
Investor Shares	\$9	0.08%

How did the Fund perform during the reporting period?

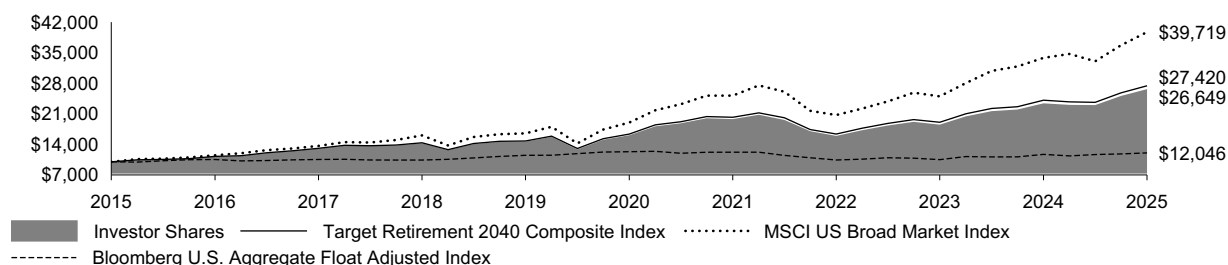
- For the 12 months ended September 30, 2025, the Fund performed roughly in line with its benchmark.
- Optimism in the U.S. about deregulation, tax cuts, and artificial intelligence was occasionally tempered by market concerns about rising interest rates, stretched equity valuations, and evolving trade policies. The Federal Reserve resumed cutting short-term interest rates in September 2025 in response to an uncertain economic outlook and slowing job gains. The Fed had paused on lowering rates in December 2024 amid mixed market signals.
- The Fund automatically adjusts its asset mix over time, providing broad diversification while incrementally decreasing exposure to stocks and increasing exposure to bonds. The Fund continues to adjust for approximately seven years after its target date until its allocations match those of Vanguard Target Retirement Income Fund.
- As a fund of funds, the Fund's performance reflects the weighted average of its holdings' total returns, which ranged from 2.56% for Vanguard Total International Bond II Index Fund Institutional Shares to 17.36% for Vanguard Total Stock Market Index Fund Institutional Plus Shares.

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 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: September 30, 2015, Through September 30, 2025

Initial Investment of \$10,000



Average Annual Total Returns

	1 Year	5 Years	10 Years
Investor Shares	13.90%	10.62%	10.30%
Target Retirement 2040 Composite Index	13.70%	10.88%	10.61%
MSCI US Broad Market Index	17.45%	15.89%	14.79%
Bloomberg U.S. Aggregate Float Adjusted Index	2.90%	-0.44%	1.88%

Fund Statistics (as of September 30, 2025)	
Fund Net Assets (in millions)	\$105,909
Number of Portfolio Holdings	7
Portfolio Turnover Rate	5%
Total Investment Advisory Fees (in thousands)	\$0

Portfolio Composition % of Net Assets (as of September 30, 2025)	
Vanguard Total Stock Market Index Fund Institutional Plus Shares	45.6%
Vanguard Total International Stock Index Fund Investor Shares	30.6%
Vanguard Total Bond Market II Index Fund Investor Shares	16.5%
Vanguard Total International Bond II Index Fund Institutional Shares	6.7%
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>.

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Fund Information • 800-662-7447
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