**Vanguard Wellesley Income Inv**

**Category**
Conservative Allocation

**Investment Information** from investment’s prospectus

**Investment Objective & Strategy**

The investment seeks to provide long-term growth of income and a high and sustainable level of current income, along with moderate long-term capital appreciation. The fund invests approximately 60% to 65% of its assets in investment-grade corporate, U.S. Treasury, and government agency bonds, as well as mortgage-backed securities. The remaining 35% to 40% of fund assets are invested in common stocks of companies that have a history of above-average dividends or expectations of increasing dividends.

Past name: Vanguard Wellesley Income Inv.

**Broad Asset Class:** Balanced
Combination of stocks, bonds and cash.

**Notes**

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a current plan performance summary, and a fund prospectus and/or informational brochure containing more complete information. This can be obtained from your investment professional or your plan’s website and should be read carefully before investing or sending money.

Morningstar ratings reflect the reduction of the fund’s expense ratio. However, your plan may charge an administrative fee and/or plan-level fee, which is not reflected in this rating.

**Morningstar Proprietary Statistics**

<table>
<thead>
<tr>
<th>Overall Morningstar Rating™</th>
<th>Morningstar Return</th>
<th>Morningstar Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Ratings</td>
<td>High</td>
<td>Below Average</td>
</tr>
</tbody>
</table>

Out of 676 Conservative Allocation funds. An investment’s overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

**Portfolio Analysis as of 03-31-15**

**Composition as of 03-31-15**

<table>
<thead>
<tr>
<th>% Net</th>
<th>U.S. Stocks</th>
<th>Non-U.S. Stocks</th>
<th>Bonds</th>
<th>Cash</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.97</td>
<td>6.17</td>
<td>61.95</td>
<td>1.63</td>
<td>0.20</td>
</tr>
</tbody>
</table>

**Top 10 Holdings as of 03-31-15**

<table>
<thead>
<tr>
<th>% Assets</th>
<th>US Treasury Note 1.75% 09-30-19</th>
<th>Wells Fargo &amp; Co</th>
<th>US Treasury Note 1.375% 09-30-18</th>
<th>US Treasury Note 1% 09-15-17</th>
<th>Microsoft Corp</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.61</td>
<td></td>
<td>1.58</td>
<td>1.48</td>
<td>1.44</td>
<td>1.44</td>
</tr>
</tbody>
</table>

**Total Number of Stock Holdings** 62
**Total Number of Bond Holdings** 1403
**Annual Turnover Ratio %** 100.00
**Total Fund Assets ($mil)** 40,684.38

**Operations**

<table>
<thead>
<tr>
<th>Fund Inception Date</th>
<th>Initial Share Class Inception Date</th>
<th>Advisor</th>
<th>Subadvisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-01-70</td>
<td>Wellington Management Company LLP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Fees and Expenses as of 01-26-15**

<table>
<thead>
<tr>
<th>% Expenses</th>
<th>Gross Prospectus Expense Ratio</th>
<th>Net Prospectus Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25%</td>
<td></td>
<td>0.25%</td>
</tr>
</tbody>
</table>

**Waiver Data**

<table>
<thead>
<tr>
<th>Type</th>
<th>Exp.Date</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Portfolio Manager(s)**


**Volatility Analysis**

<table>
<thead>
<tr>
<th>Investment</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
</tr>
</thead>
</table>

In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

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