

Vanguard Wellesley[®] Income Fund

Balanced fund (stocks and bonds) | Admiral[™] Shares

Fund facts

Risk level Low ← → High					Total net assets	Expense ratio as of 01/31/20	Ticker symbol	Turnover rate as of 09/30/20	Inception date	Fund number
1	2	3	4	5	\$48,044 MM	0.16%	VWIAX	30.0%	05/14/01	0527

Investment objective

Vanguard Wellesley Income Fund seeks to provide long-term growth of income and a high and sustainable level of current income, along with moderate long-term capital appreciation.

Investment strategy

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.

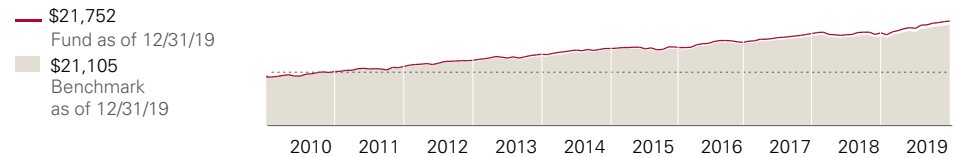
For the most up-to-date fund data, please scan the QR code below.



Benchmark

Wellesley Income Composite Index

Growth of a \$10,000 investment : January 31, 2010—December 31, 2019



Annual returns



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	10.71	9.74	10.10	9.27	8.15	1.35	8.16	10.26	-2.49	16.47
Benchmark	10.36	8.94	9.88	8.44	9.33	0.79	8.44	9.06	-2.79	16.08

Total returns

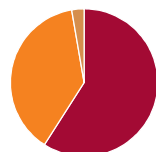
Periods ended September 30, 2020

	Quarter	Year to date	One year	Three years	Five years	Ten years
Fund	2.32%	2.77%	5.24%	6.37%	7.38%	7.41%
Benchmark	1.94%	0.93%	3.54%	5.39%	6.67%	6.97%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Fund allocation



Bond	59.1%	Short-Term Reserves	2.7
Stock	38.2		

Wellesley Income Composite Index: Weighted 65% bonds and 35% stocks. For bonds: Lehman U.S. Long Credit AA or Better Bond Index through March 31, 2000, and Bloomberg Barclays U.S. Credit A or Better Bond Index thereafter. For stocks: 26% S&P 500/Barra Value Index and 9% S&P Utilities Index through June 30, 1996, when the utilities component was split into the S&P Utilities Index (4.5%) and the S&P Telephone Index (4.5%); as of January 1, 2002, the S&P Telephone Index was replaced by the S&P Integrated Telecommunication Services Index; as of July 1, 2006, the S&P 500/Barra Value Index was replaced by the S&P 500/Citigroup Value Index; as of August 1, 2007, the three stock indexes were replaced by the FTSE High Dividend Yield Index.

Vanguard Wellesley Income Fund

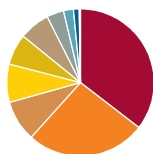
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Ten largest holdings*

1	Johnson & Johnson	
2	Pfizer Inc.	
3	Cisco Systems Inc.	
4	Comcast Corp.	
5	Procter & Gamble Co.	
6	JPMorgan Chase & Co.	
7	Verizon Communications Inc.	
8	Bank of America Corp.	
9	Medtronic plc	
10	Progressive Corp.	
Top 10 as % of total net assets		12.2%

* The holdings listed exclude any temporary cash investments and equity index products.

Distribution by issuer-bonds



Industrial	38.0%	Other	7.2
Finance	28.1	Government	4.0
Utilities	9.6	Foreign	2.3
Treasury/Agency	9.1	Asset-Backed	1.4
Other	7.2	Commercial Mortgage-Backed	0.3

Sector Diversification



Health Care	18.8%	Communication Services	6.6
Financials	17.3	Consumer Discretionary	4.6
Consumer Staples	14.1	Energy	3.4
Industrials	13.3	Real Estate	2.2
Information Tech	9.8	Materials	1.0
Utilities	8.9	Other	0.0

Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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Plain talk about risk

The fund is subject to several bond and stock market risks, any of which could cause an investor to lose money. However, because bond and stock prices can move in different directions or to different degrees, the fund's bond and short-term investment holdings may counteract some of the volatility experienced by the fund's stock holdings. The fund's performance could be hurt by:

Interest rate risk: The chance that bond prices will decline because of rising interest rates.

Income risk: The chance that the fund's income will decline because of falling interest rates.

Credit risk: 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. Credit risk should be low for the fund because it purchases only bonds that are of investment-grade quality.

Call risk: 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.

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

Investment style risk: The chance that returns from large-capitalization value stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.

Manager risk: The chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Note on frequent trading restrictions

Frequent trading policies may apply to those funds offered as investment options within your plan. Please log on to [vanguard.com](https://www.vanguard.com) for your employer plans or contact Participant Services at 800-523-1188 for additional information.

For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you.

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If you receive your retirement plan statement from a service provider other than Vanguard or log on to a recordkeeper's website that is not Vanguard to view your plan, please call **855-402-2646**.

Visit [vanguard.com](https://www.vanguard.com) to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value