Coming soon to
The Vanguard 529
A targeted approach toward your goal
Introducing new Vanguard Target Enrollment Portfolios

Save with more ease and flexibility.

Here’s what’s happening

This October, The Vanguard 529 College Savings Plan will enhance its investment menu by providing you with a new way to invest for all levels of education. We’re transitioning our current age-based investment portfolios to a more versatile target-enrollment approach. With Vanguard Target Enrollment Portfolios, you choose the portfolio closest to the year you expect your child will enroll in school, whether kindergarten through high school, college, or beyond.
3 benefits we think you’ll like

1. They're simple

First, the investment process with the Target Enrollment Portfolios is about as easy as it can get. All you have to do is select the enrollment portfolio that includes the year your student will start school. This simple yet powerful step lets you invest more clearly and appropriately for your particular enrollment goal.

When there are multiple solutions to a problem, choose the simplest one.
—John C. Bogle, Vanguard founder

2. They're flexible

Enrollment-year portfolios offer the flexibility to choose the year you expect your child to start attending school—whenever that may be. While it’s likely most investors will be saving for college and will therefore consider a portfolio based on the year the child turns 18, this isn’t the situation for everyone.

For example:

- You may want to save for a private grade school, high school, or even graduate school.
- Or you may decide you want to invest for two enrollment goals—maybe for both a private grade school and college—so you could save in two target portfolios in the same account.

The beauty of target-enrollment investing is that you can customize it for up to five education goals.

3. Their allocation adjustments happen more often

Why are smaller, more frequent asset allocation adjustments important? Because they can reduce the risk that often comes along with fewer, larger adjustments.

The new glide-path process continues to automatically move your allocation from more aggressive to more conservative as your student gets closer to enrollment, but the asset allocation adjusts more often. This allows for a smoother, more gradual shift in your portfolio’s investment mix.

Smother glide paths can be a calming factor, particularly when markets are volatile. Assets in our new portfolios are rebalanced quarterly in approximately 0%–2% equity increments (or 0%–9% per year).
Here’s what you can expect

All of The Vanguard 529 age-based accounts will convert to Target Enrollment Portfolios that are flexible enough to adjust for almost any level of education, and enrollment dates can range from less than 1 to 19 years ahead.

This transition won’t be considered a taxable event, and it won’t count as one of the two investment exchanges you’re allowed each year.
And here’s a closer look

The table below shows the Target Enrollment Portfolio that corresponds with the year your child will turn 18—the age most students enter college. All moderate and aggressive age-based accounts will be transitioned to Target Enrollment Portfolios that are based on the beneficiary’s age as of October 30, 2020, and the number of years remaining until college starts. If you’re saving for a goal other than college, you’ll be able to exchange to another portfolio after the transition.

<table>
<thead>
<tr>
<th>Age and asset allocation</th>
<th>Target Enrollment Portfolio</th>
<th>Vanguard Institutional Total Stock Market Index Fund</th>
<th>Vanguard Total International Stock Index Fund</th>
<th>Vanguard Total Bond Market II Index Fund</th>
<th>Vanguard Total International Bond Index Fund</th>
<th>Vanguard Short-Term Reserves Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1</td>
<td>Target Enrollment 2038/2039</td>
<td>57.00%</td>
<td>38.00%</td>
<td>3.50%</td>
<td>1.50%</td>
<td>0.00%</td>
</tr>
<tr>
<td>1–2</td>
<td>Target Enrollment 2036/2037</td>
<td>57.00%</td>
<td>38.00%</td>
<td>3.50%</td>
<td>1.50%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3–4</td>
<td>Target Enrollment 2034/2035</td>
<td>57.00%</td>
<td>38.00%</td>
<td>3.50%</td>
<td>1.50%</td>
<td>0.00%</td>
</tr>
<tr>
<td>5–6</td>
<td>Target Enrollment 2032/2033</td>
<td>52.20%</td>
<td>34.80%</td>
<td>9.10%</td>
<td>3.90%</td>
<td>0.00%</td>
</tr>
<tr>
<td>7–8</td>
<td>Target Enrollment 2030/2031</td>
<td>46.20%</td>
<td>30.80%</td>
<td>16.10%</td>
<td>6.90%</td>
<td>0.00%</td>
</tr>
<tr>
<td>9–10</td>
<td>Target Enrollment 2028/2029</td>
<td>39.00%</td>
<td>26.00%</td>
<td>24.50%</td>
<td>10.50%</td>
<td>0.00%</td>
</tr>
<tr>
<td>11–12</td>
<td>Target Enrollment 2026/2027</td>
<td>33.00%</td>
<td>22.00%</td>
<td>31.50%</td>
<td>13.50%</td>
<td>0.00%</td>
</tr>
<tr>
<td>13–14</td>
<td>Target Enrollment 2024/2025</td>
<td>28.20%</td>
<td>18.80%</td>
<td>37.10%</td>
<td>15.90%</td>
<td>0.00%</td>
</tr>
<tr>
<td>15–16</td>
<td>Target Enrollment 2022/2023</td>
<td>18.20%</td>
<td>12.10%</td>
<td>39.50%</td>
<td>16.90%</td>
<td>13.30%</td>
</tr>
<tr>
<td>17–18</td>
<td>Target Enrollment 2020/2021</td>
<td>12.80%</td>
<td>8.50%</td>
<td>36.40%</td>
<td>15.60%</td>
<td>26.70%</td>
</tr>
<tr>
<td>19+</td>
<td>Commencement</td>
<td>7.00%</td>
<td>4.60%</td>
<td>19.90%</td>
<td>8.50%</td>
<td>60.00%</td>
</tr>
</tbody>
</table>

Stocks  Bonds  Short-term reserves
Considerations

The transition to Target Enrollment Portfolios may affect the way you invest:

- **Conservative age-based investors** should note that Target Enrollment Portfolios will hold approximately 12% in stocks at the end of the investment time horizon across all target portfolios. Today, the conservative age-based option stops investing in stocks around the time the student reaches age 13.

  Since stocks generally generate greater returns, the increase in your stock allocation may mean you need to save less for college. But stocks are also more risky, so a heavier stock allocation can increase the potential for loss.

  During the transition, all conservative age-based accounts will be transitioned to Target Enrollment Portfolios that align with a lower-risk preference. (See table on the right.)

- **Moderate age-based investors** may notice a slight increase in stock exposure, which can result in a modestly higher risk level as well. Investors uncomfortable with a small stock increase could consider investing in a more conservative Target Enrollment Portfolio that may have less risk, or creating a customized strategy using our individual 529 portfolios.

- **Aggressive age-based investors** should note that Target Enrollment Portfolios hold a small portion of bonds in the beginning stages, while the aggressive age-based option holds 100% in stocks for the first five years.

  The decrease in stocks may mean you need to save more for college, since a lower stock allocation may generate less in returns. But investing in fewer stocks also lowers your risk and your potential for loss. Investors uncomfortable with the less aggressive position in stocks may want to consider creating a customized strategy using our individual 529 portfolios.

<table>
<thead>
<tr>
<th>Age</th>
<th>Target Enrollment Portfolio</th>
</tr>
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<tbody>
<tr>
<td>0–2</td>
<td>2028/2029</td>
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<td>19+</td>
<td>Commencement</td>
</tr>
</tbody>
</table>

Be aware that you can exchange your investments immediately following the transition, as long as you haven’t already made the two exchanges permitted per calendar year.
Key dates to keep in mind

Thursday, October 29, 2020
Transition begins at 4 p.m., Eastern time.

Thursday, October 29, 2020, 4 p.m. through Monday, November 2, 2020, 8 a.m.

Blackout period
Important: During this time, Vanguard will be unable to process any Vanguard 529 account transactions or account changes, including withdrawals, contributions, and investment option changes, online or by phone.

Any transaction requests, including recurring contributions (automatic investments), received after 4 p.m., Eastern time, on Thursday, October 29, and up until the market close on Friday, October 30, won’t be processed until Monday, November 2, using portfolio net asset values as of November 2.

Monday, November 2, 2020
The transition is complete. Normal service will resume at 8 a.m., Eastern time.
Transition FAQs

What do I need to do to prepare for the transition?

Nothing at all, unless you’re invested in an age-based portfolio and don’t want to be automatically transitioned into a Vanguard Target Enrollment Portfolio. In that case, you’ll want to switch to individual portfolios prior to October 29, 2020.

Will my Vanguard 529 account number change?

No. Your account number will remain the same.

Is it still possible to invest in a Vanguard age-based portfolio?

Yes, but only until October 29, 2020, before 4 p.m., Eastern time. After that time, age-based investment portfolios will no longer be available, and moderate and aggressive age-based accounts will be transitioned into portfolios appropriate for the year of college enrollment. Conservative age-based accounts will be transitioned to portfolios that align with a lower-risk preference.

What if I’m not currently enrolled in one of the three age-based options? Will there be any change for me?

No, your investments won’t change. But after the transition you can direct new contributions into a Vanguard Target Enrollment Portfolio, or you can exchange into one, as long as you haven’t already made two investment exchanges in 2020. If that’s the case, you’ll have to wait until January 2021.

Is it possible to select a Vanguard Target Enrollment Portfolio that’s either more aggressive or more conservative than the one into which my account will be transitioned?

Yes, you can eventually select a different Target Enrollment Portfolio but not until after the transition is complete. Target Enrollment Portfolios will only be available for purchase starting November 2, 2020. If you haven’t already changed investments twice this year, you can switch to any portfolio you want on this date too.
What is the Commencement Portfolio?

The Commencement Portfolio is designed for investors who are withdrawing for qualified education expenses. The portfolio aligns with a low-risk preference, while including a small allocation to equities as a hedge against inflation. This portfolio’s allocation to stocks and bonds is the allocation that all Target Enrollment Portfolios are expected to assume within 4 years after their designated enrollment year.

Now that I see the enrollment year choices, can I let you know the one I want before the transition occurs so it won’t count as one of my two allowable exchanges afterward?

No, but on November 2, 2020, after the transition’s complete, you can move into the Target Enrollment Portfolio of your choice, assuming you haven’t already made two account transfers in 2020. Otherwise, you’ll need to wait until 2021 to make your change.

*Earnings on nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.
We're here for you

If you have any questions about the upcoming transition, call 800-211-7823 to talk with one of our education savings specialists. We’re available business days from 8 a.m. to 8 p.m., Eastern time.

Thank you for belonging to the Vanguard community of investors.
For more information about The Vanguard 529 College Savings Plan, visit vanguard.com to obtain a Program Description, which includes investment objectives, risks, charges, expenses, and other information; read and consider it carefully before investing.

If you are not a Nevada taxpayer, consider before investing whether your or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program. Other state benefits may include financial aid, scholarship funds, and protection from creditors.

The Vanguard 529 College Savings Plan is a Nevada Trust administered by the office of the Nevada State Treasurer.

The Vanguard Group, Inc., serves as the Investment Manager for The Vanguard 529 College Savings Plan and through its affiliate, Vanguard Marketing Corporation, markets and distributes the Plan. Ascensus Broker Dealer Services, LLC, serves as Program Manager and has overall responsibility for the day-to-day operations. The Plan's portfolios, although they invest in Vanguard mutual funds, are not mutual funds. Investment returns are not guaranteed, and you could lose money by investing in the Plan.

State tax treatment of withdrawals for K–12, apprenticeship, and student loan expenses is determined by the state(s) where the taxpayer files state income tax. Please consult with a tax advisor for further guidance.

Investment returns are not guaranteed, and you could lose money by investing in the Plan. Account owners assume all investment risks, including the potential for loss of principal, as well as responsibility for any federal and state tax consequences.