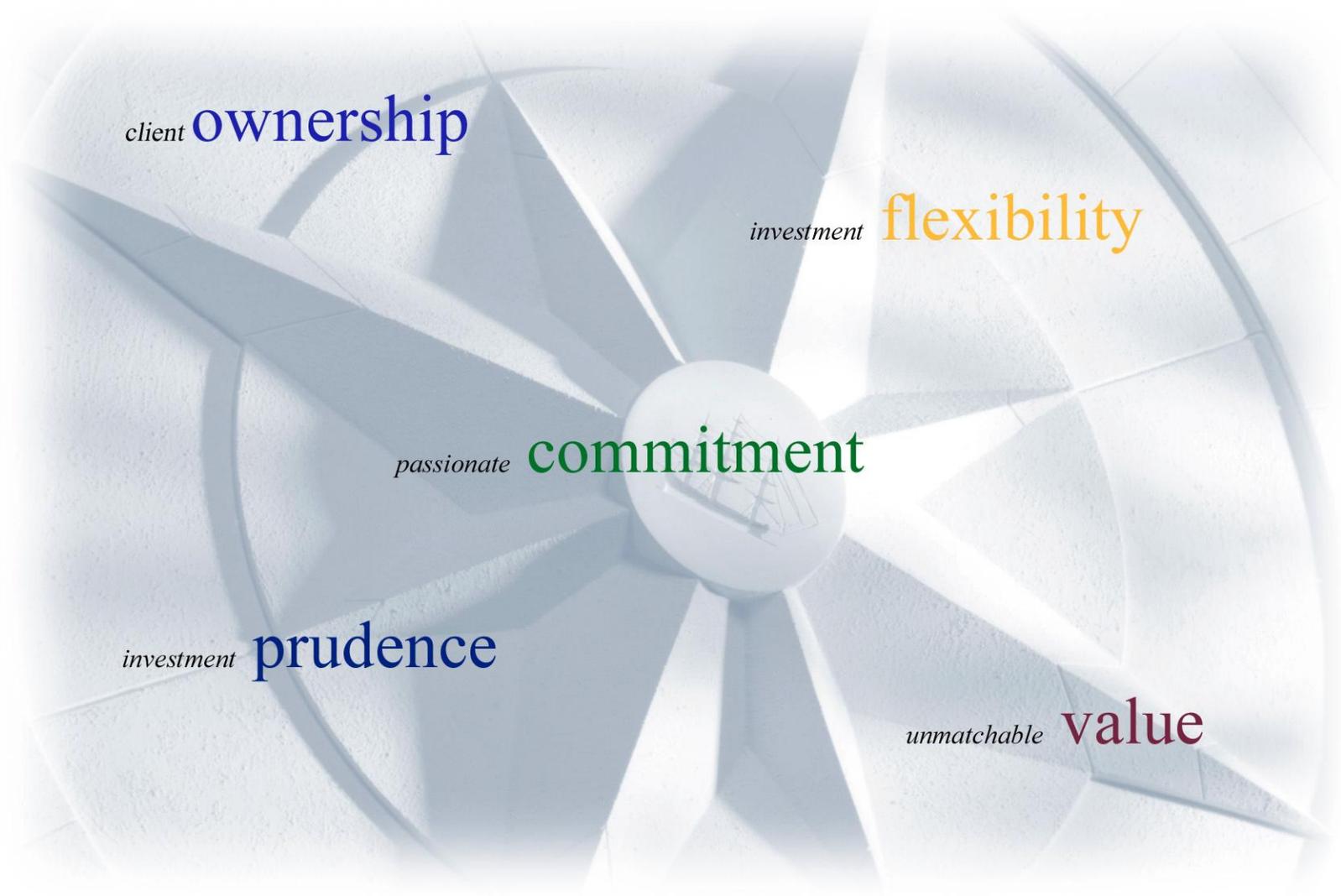
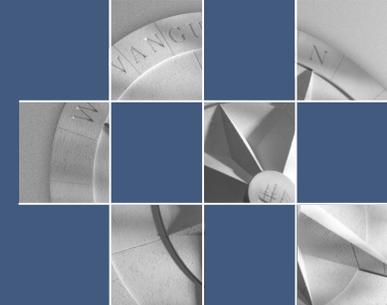


Vanguard Overview



client **ownership**

investment **flexibility**

passionate **commitment**

investment **prudence**

unmatchable **value**

Vanguard Overview

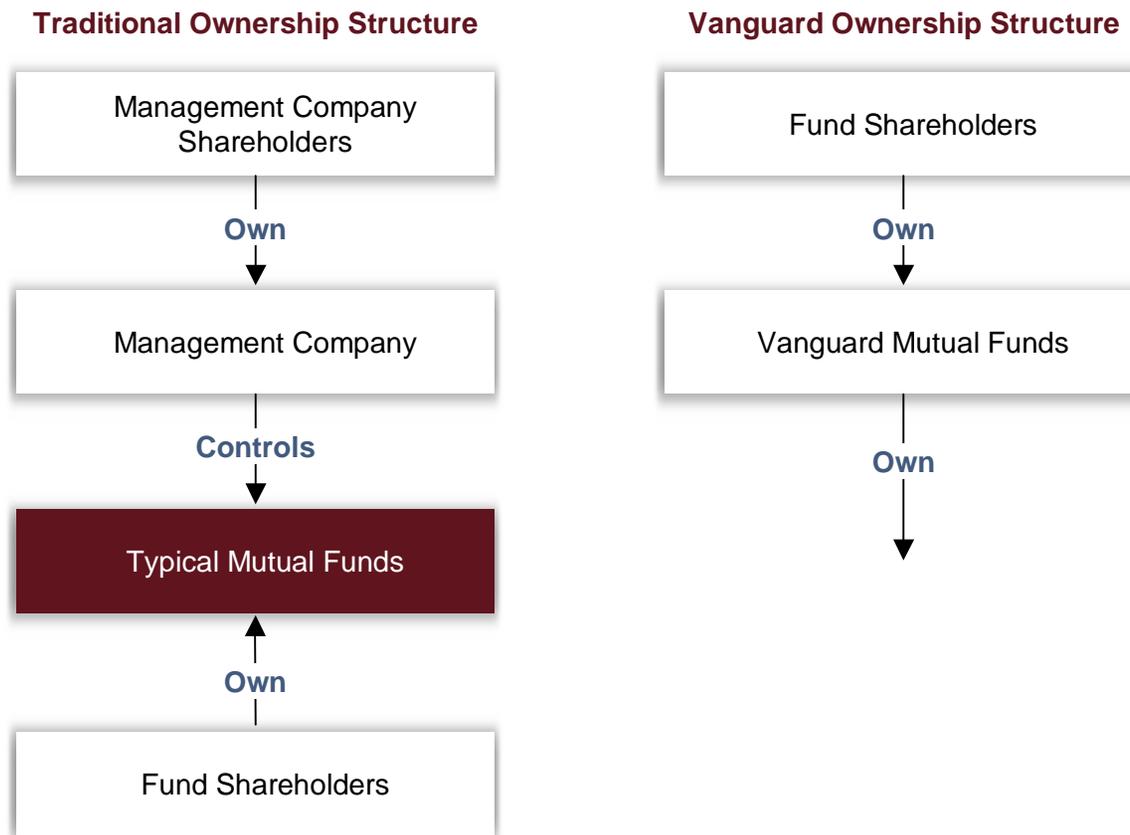
Corporate Mission: “To be the world’s highest-value provider of investment services.”

- Wellington™ Fund—1928
- The Vanguard Group—1975
- Pure no-load mutual fund company
- Diverse, well-defined investment options
- More than 19.7 million shareholder accounts
- 70 years experience communicating directly with investors
- Managing defined contribution plans since 1982
- More than \$872 billion in total assets
- More than \$411 billion in institutional assets
- More than 10,700 crew members



Vanguard Overview

Vanguard is the only client-owned mutual fund company in the world, delivering unmatched value to a single set of owners.



Vanguard Overview

Vanguard's strategic advantages—investment experience, breadth, performance, and low costs—have made us an institutional market leader. Our unique ownership structure provides unmatched value for clients.

Experience

- More than 70 years of investment experience

Market Leadership

- \$872.9 billion total assets
- \$411.4 billion institutional assets
- 124 investment portfolios covering all asset classes
- Investment management
 - Active equity: leading institutional subadvisors
 - Index equity: state-of-the-art execution
 - Fixed income: deep expertise

Client Ownership

- No outside owners: we serve only client interests
- Management stability
- Low costs: consistent with separate accounts

Global Presence

- United States
- South America
- Europe
- Asia
- Australia

Vanguard Overview



THE Vanguard GROUP®

- Vanguard shareholders: 19.7 million
- Vanguard mutual fund assets: More than \$816 billion
- The Vanguard Group: More than 10,700 crew members



Structure

- Founded in 1975
- *Mutual* mutual fund company
- Services provided to funds at cost
- Pure no-load family
- No conflict of interest

Institutional Investor Group

- Mutual fund assets \$352.9 billion
-
- More than 5,384 crew members dedicated to Institutional activities

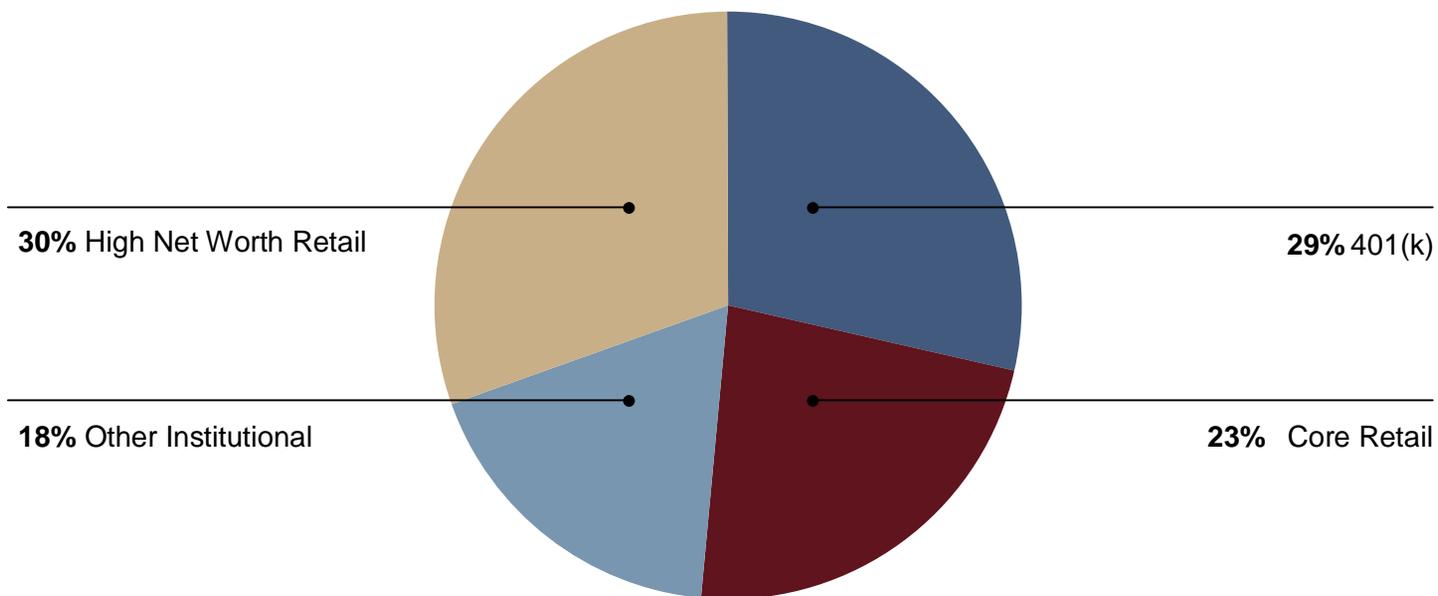
Individual Investor Group

- Mutual fund assets \$461.5 billion

Vanguard Overview

Diversity of Client Base

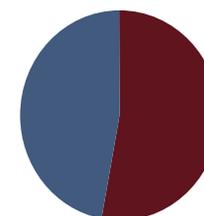
Vanguard Client Base



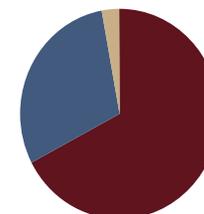
Vanguard Overview

Vanguard® Total Assets

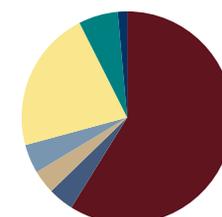
By Division	Percentage	Assets (billions)
■ Individual Assets	52.9%	\$ 461.5
■ Institutional Assets	47.1	411.4
Vanguard Total Assets	100.0%	\$ 872.9



By Investment Method	Percentage	Assets (billions)
■ Internally Managed (Includes Mutual Funds, Stable Value Management, and Commingled Trusts)	67.3%	\$ 588.7
■ Externally Managed Mutual Funds	29.8	261.0
■ Company Stock	2.9	24.9
Vanguard Total Assets*	100.0%	\$ 874.6



Institutional Assets by Client Type	Percentage	Assets (billions)
■ Defined Contribution	58.8%	\$ 245.3
<i>Full Service</i>		162.4
<i>Investment Only</i>		82.9
■ Defined Benefit	3.8	15.8
■ Endowment and Foundation	3.7	15.3
■ Corporate	4.3	18.1
■ Intermediaries	21.9	91.2
■ Discretionary Bank Trust	6.2	25.9
■ Other	1.3	5.4
Total Institutional Assets	100.0%	\$ 417.0



* Index equity and active equity totals both reflect the portion of VIPER® shares held by other Vanguard funds. As of December 31, 2004.

Vanguard Overview

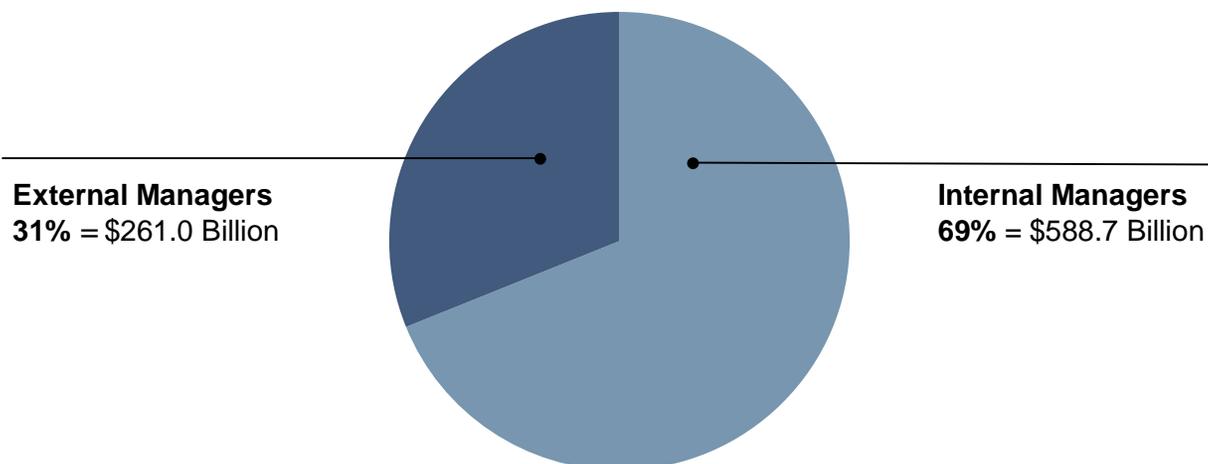
Vanguard employs best-in-class external managers from around the world.

Vanguard's Investment Managers

Acadian Asset Management, Inc.
Alliance Capital Management L.P.
Baillie Gifford Overseas Ltd.
Barrow, Hanley, Mewhinney & Strauss, Inc.
Chartwell Investment Partners, L.P.
Equinox Capital Management, Inc.
Franklin Portfolio Associates
Granahan Investment Management, Inc.
Grantham, Mayo, Van Otterloo & Co. LLC (GMO)

Hansberger Global Investors, Inc.
Hotchkis and Wiley Capital Management, LLC
John A. Levin & Co., Inc.
M&G Investment Management Limited
Marathon Asset Management Limited
Mellon Capital Management Corp.
Oaktree Capital Management, LLC
PRIMECAP Management Company
Provident Investment Counsel

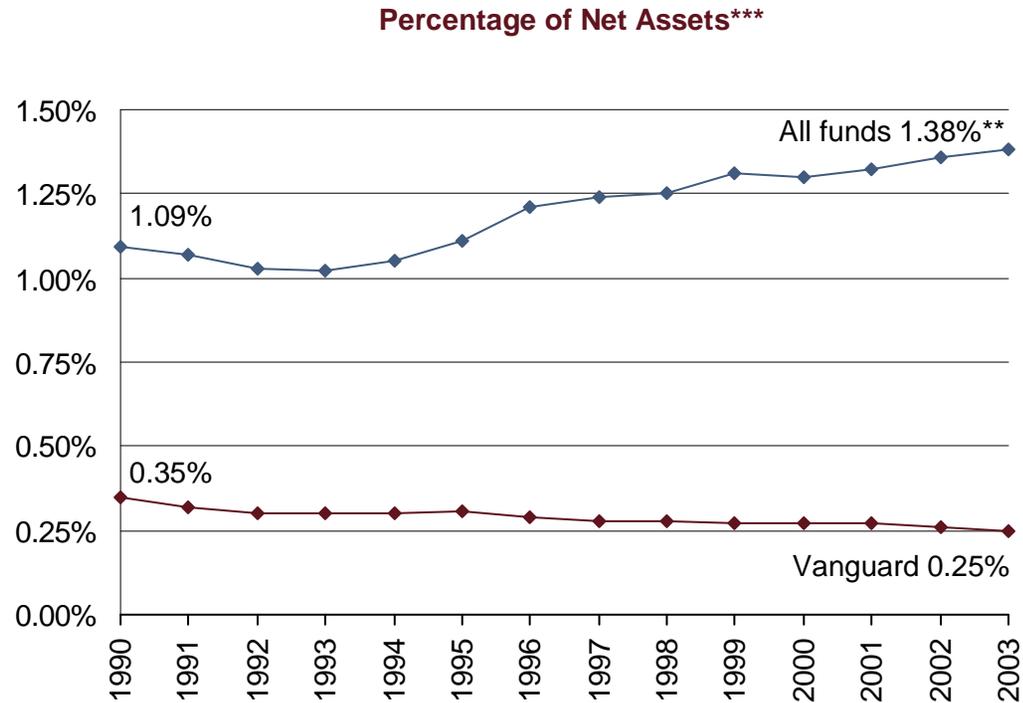
Sanford C. Bernstein & Co.
Schroder Investment Management North America Inc.
Tukman Capital Management
Turner Investment Partners, Inc.
The Vanguard Group
Wellington Management Company, LLP
William Blair & Company, LLC



Total assets include commingled trusts and stable value. Excludes company stock.
As of December 31, 2004.

Vanguard Overview

- Vanguard's current cost advantage is 1.13%.
- One hundred thirteen basis points on \$816.1 billion in mutual fund assets* under management translates into approximately \$9.2 billion in savings passed on to Vanguard shareholders.



* Assets under management are as of December 31, 2004.

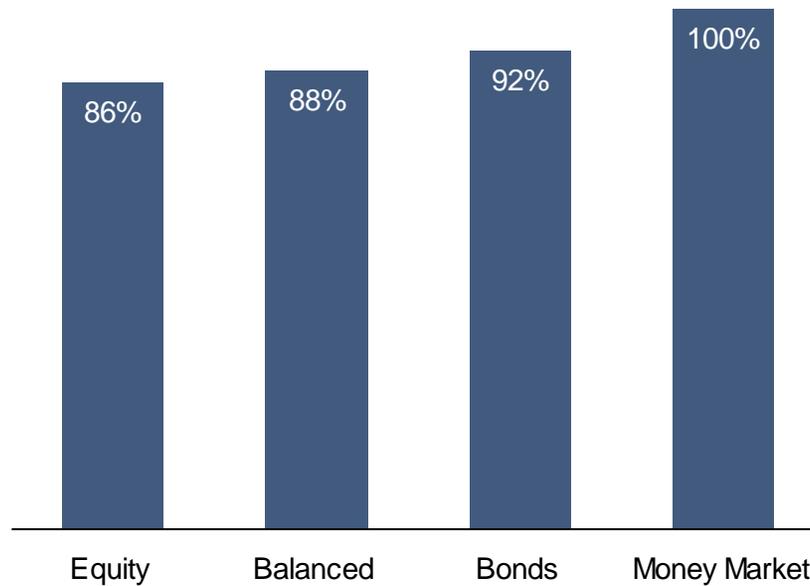
** 2003 expense ratios according to Lipper Inc.

*** Sources: The Vanguard Group, 1980–1987; Weisenberger Panorama; and Lipper Inc., 1988 forward.

Vanguard Overview

Vanguard's corporate structure provides greater value for plan sponsors and participants which has resulted in consistent, long-term investment returns and outperformance relative to peer groups.

Percentage of Vanguard® Funds that Outperformed the Average Return of their Actively-Managed Peer Group for Five Years



Number of funds in category: Equity, 4,028; Balanced, 644; Bonds, 1,303; Money Market, 941.

For the five-year period ended December 31, 2004, 19 of 22 Vanguard stock funds, 7 of 8 balanced funds, 22 of 24 bond funds, and 11 of 11 money market funds outperformed their Lipper averages. Only funds with a minimum of five-year history were included in the comparison.

Results will vary for other time periods. Past performance is not a guarantee of future results. All investments are subject to risk.

Relationship Summary

Past performance cannot be used to predict future returns. Investment returns and principal value will fluctuate, so that investors' shares, when sold, may be worth more or less than their original cost. For current performance, which may be higher or lower than that cited, visit our website at www.vanguard.com.

Average Annual Performance for Periods Ended December 31, 2004

Vanguard Fund/Index/Average	Three Months	1 Year	3 Years	5 Years	10 Years	Assets
Vanguard® Admiral Trsy Money Mkt (12/14/1992)	0.43%	1.18%	1.28%	2.78%	4.00%	\$25,633,832
<i>Citigroup 3-Mo T-Bill Index</i>	0.44	1.24	1.34	2.79	3.99	
<i>iMoneyNet MFR Average Treasury MM</i>	0.27	0.60	0.74	2.22	3.46	
Vanguard® Long-Term Investment Grade Adm (2/12/2001)	2.70%	9.06%	9.54%	9.16%*	—	\$53,388,285
<i>Lehman Long Credit A/Better Index</i>	2.60	9.08	9.75	10.35	9.39	
<i>Average Corporate A-Rated Fund</i>	1.08	4.09	5.83	6.94	6.85	
Vanguard® Wellington™ Fund Admiral (5/14/2001)	6.63%	11.34%	7.85%	6.65%*	—	\$170,961,984
<i>Wellington Composite Index</i>	6.30	8.70	5.19	1.73	11.13	
<i>Average Balanced Fund</i>	6.44	7.93	4.31	1.95	8.70	
Vanguard® Inst Index Fund Inst Plus (7/7/1997)	9.25%	10.90%	3.63%	-2.24%	11.21%*	\$210,767,370
<i>S&P 500 Index</i>	9.23	10.88	3.59	-2.30	12.07	
<i>Average Large-Cap Core Fund</i>	8.86	7.79	1.18	-4.05	9.82	

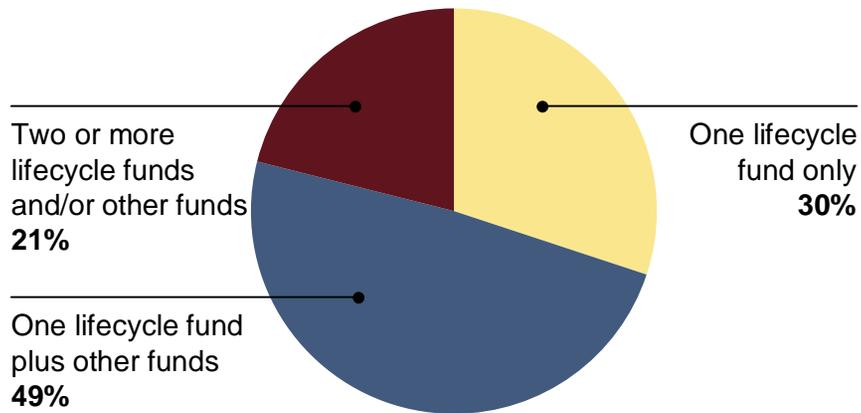
TOTAL ASSETS AT VANGUARD – DECEMBER 31, 2004

\$460,751,471

* Since fund inception. Refer to inception date next to fund name.

Lifecycle Funds in Defined Contribution Plans

Participants Owning Lifecycle Funds



- Myth: “Participants just don’t use them.”
- Fact: Measured by assets, usage is low; measured by participants using, they are very important.
 - 50% of plans offer lifecycle funds where they comprise 9% of plan assets.
 - 26% of participants offered lifecycle funds use them.
- Myth: “Most participants make the mistake of investing in multiple lifecycle funds.”
- Fact: Most participants appear to use them as just another diversified fund.
 - 49% use one lifecycle fund with other funds, generally equity funds – a pragmatic approach to diversification or an “error”?
 - 30% of participants with lifecycle funds use them for “one-stop shopping.”
 - 21% of participants with lifecycle funds own two or more lifecycle funds and/or other options.

Lifecycle Funds in Defined Contribution Plans

Vanguard offers a flexible, tiered investment approach that can suit the needs of both novice and experienced participants.

	Investor Profile	Plan Options	Plan Usage
Life-Cycle Funds	Investors who prefer investment simplicity	Varying asset allocations are designed to serve a range of risk tolerances and time horizons	40% of plans 7% of assets
Core Investment Options	Investors who wish to build their own portfolio	Selection of funds from Vanguard and other leading fund companies	All plans
Mutual Fund Window	Investors seeking a broader range of funds	Customized window of funds from Vanguard and other leading fund companies	3% of plans 1% of assets

Vanguard® Target Retirement Funds: Overview

Objective

- Seeks to provide growth of capital and current income consistent with the investor's time horizon
- Easy to use fund-of-funds structure that holds a portfolio of diversified stock, bond (including inflation-protected securities), and short-term reserves funds
- Automatically carries out investment selection, asset allocation, and rebalancing through retirement
- Allocation between stock and bond funds automatically becomes more conservative over time—reaching a final allocation during retirement

Investors may choose to invest in any of the Target Retirement funds. Each are based on an asset allocation strategy designed for investors planning to retire in or within a few years of the target maturity year.

- Vanguard® Target Retirement Income Fund
– Investors in retirement
- Vanguard® Target Retirement 2005 Fund
– Investors in their 60s who plan to retire between now and 2009
- Vanguard® Target Retirement 2015 Fund
– Investors in their 50s who plan to retire between 2010 and 2019
- Vanguard® Target Retirement 2025 Fund
– Investors in their 40s who plan to retire between 2020 and 2029
- Vanguard® Target Retirement 2035 Fund
– Investors in their 30s who plan to retire between 2030 and 2039
- Vanguard® Target Retirement 2045 Fund
– Investors in their 20s who plan to retire between 2040 and 2049

Investment Focus

	Value	Blend	Growth	Short	Medium	Long	
Large							Treasury and Agency
Medium							Investment-Grade Corporate
Small							Below Investment-Grade
	Equity*			Fixed Income			

* Includes international funds.
As of December 31, 2004, unless otherwise noted.

Vanguard® Target Retirement Funds: Fund Characteristics and Target Audience



Vanguard® Target Retirement Funds deliver important benefits to plan sponsors and participants.

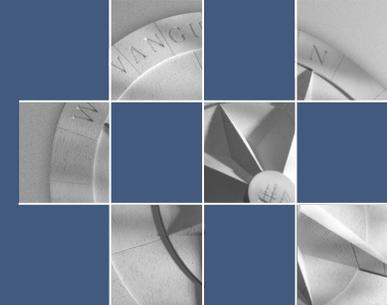
Fund Characteristics:

- Six different funds based upon expected retirement dates
- Funds automatically grow more conservative as retirement date approaches
- Asset allocation changes are kept within narrow ranges around target allocations
- Each fund is predominantly composed of index funds
- No additional program fees above those of underlying funds
- Funds are easy to explain to participants

Target Audience:

- Investors who prefer a broadly diversified one-fund solution that requires no investment decisions
- Investors of any age or time horizon, including:
 - Investors in the accumulation, transition, or withdrawal phase
 - Novice to sophisticated investors who lack the time or desire to monitor their investments but who want professional management

Vanguard® Target Retirement Funds: Investment Insights



Investment Rationale*:

- Asset allocation is the key decision in explaining performance variation
- Tactical asset allocation and security selection, on average, increase risk and reduce return
- Controlling costs allows investors to keep more of their returns

Portfolio Construction:

- Asset allocations become more conservative closer to retirement using qualitative judgment based on:
 - Historical return data for stocks, bonds, and cash 1960–2002
 - Simulated returns from real time path and Monte Carlo analysis based on historical data 1960–2002
- Given investors' aversion to risk of loss, limit downside risk:
 - Prudently conservative asset allocation choices
 - Broad diversification across asset classes and market segments**
 - Limited manager and active risk through the predominant use of index funds
 - No black-box tactical asset allocation moves
- Annual incremental change in target allocation to reduce potential impact of market conditions
- Inflation protection through equities when young and through TIPS close to and after retirement

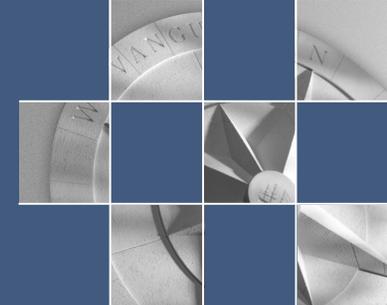
Benefits to Investor:

- Sophisticated portfolio in a single fund
- Transparency of returns, risks, and costs
- Low cost leaves most of the return for the investor

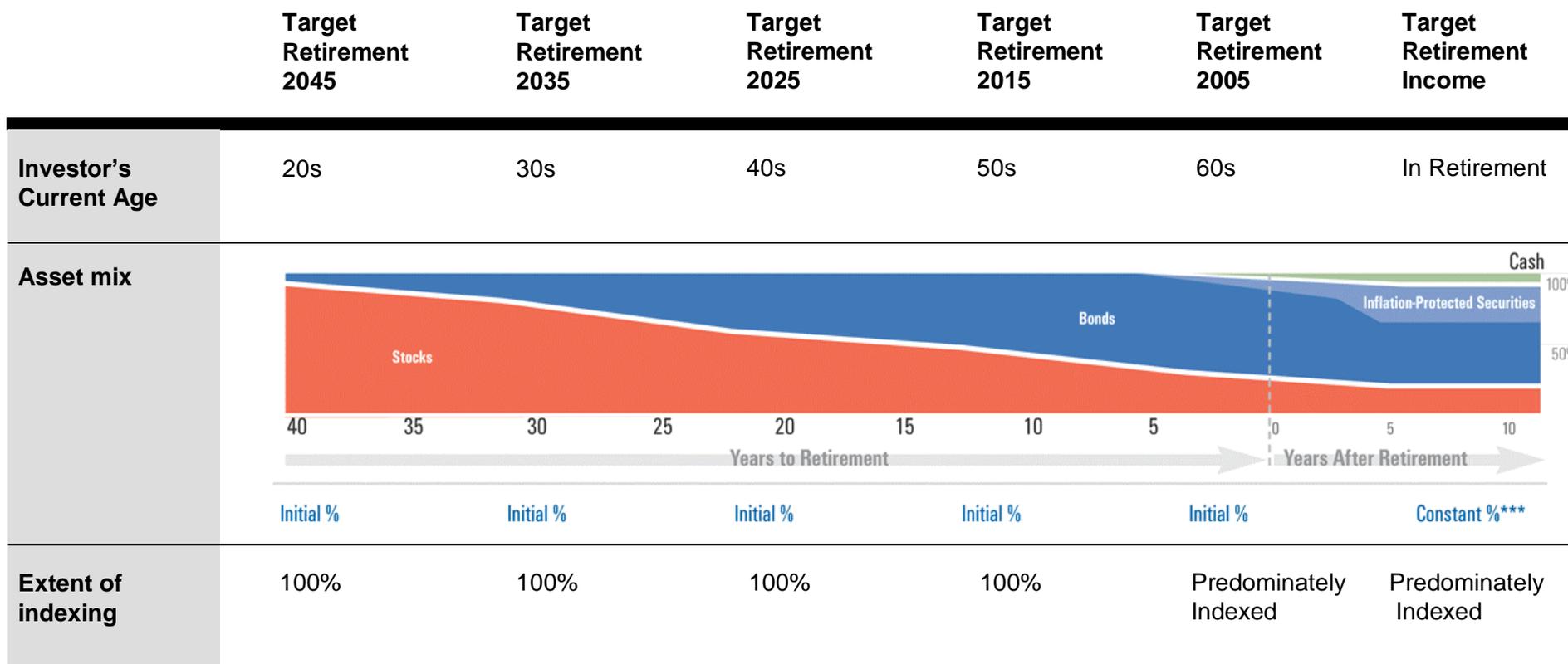
* Vanguard's investment rationale is based on modern financial theory and Vanguard's experience managing client portfolios in Personal Financial Planning and Asset Management Services. See supporting evidence in "Sources of Portfolio Performance: The Enduring Importance of Asset Allocation," July 2003, Vanguard Group.

** Diversification does not assure a profit or protect against a loss in a declining market.
As of December 31, 2004, unless otherwise noted.

Vanguard® Target Retirement Funds: Overview of Fund Allocations

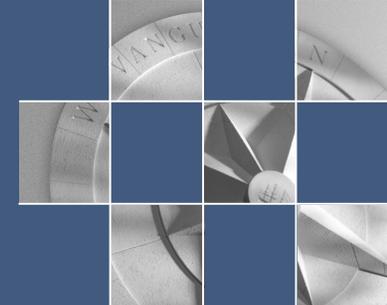


Funds grow more conservative based on the following glide path:



*** The allocation for Target Retirement Income Fund represents the final allocation for the other Target Retirement Funds. Starting allocations are as of the fund launch on October, 2003.

Vanguard® Target Retirement Funds: Fund Selection



Target Retirement Funds' Target Asset Allocation*

Underlying Vanguard® Funds	2045	2035	2025	2015	2005	Income	Benchmark	Investment Style
Total Stock Market Index Fund	71.2%	62.4%	47.2%	38.8%	32.9%	20.0%	DJW 5000 Composite Index	Index
European Stock Index Fund	12.2	10.7	8.1	6.6	—	—	MSCI Europe Index	Index
Pacific Stock Index Fund	5.6	4.9	3.7	3.1	—	—	MSCI Pacific Index	Index
Total Bond Market Index Fund	11.0	22.0	41.0	50.0	50.0	50.0	Lehman Aggregate Bond Index	Index
Inflation-Protected Securities Fund	—	—	—	1.5	16.4	25.0	Lehman Treasury Inflation Notes Index	Active
Prime Money Market Fund	—	—	—	—	0.7	5.0	Average Money Market Fund	Active
Total	100%	100%	100%	100%	100%	100%		
Investor's Current Age	20s	30s	40s	50s	60s	Retirement		
Cost**	0.21%	0.21%	0.22%	0.22%	0.21%	0.21%		

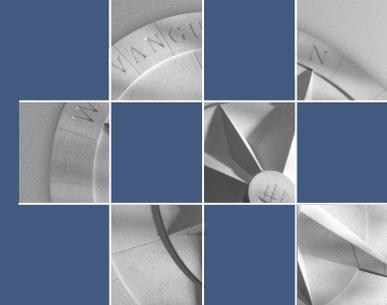
- Each Target Retirement Fund invests in three to five Vanguard funds
- Vanguard Target Retirement Funds benefit from Vanguard's recognized leadership in indexing
- Each of the underlying funds is managed by Vanguard's Quantitative Equity Group or Fixed Income Group

* Target allocations are as of August 31, 2004. The target allocation split between Europe and Pacific may change based on their monthly market capitalization weights in MSCI EAFE.

** Source: Lipper Inc.

As of December 31, 2004, unless otherwise noted.

Vanguard® Target Retirement Funds: Investment Methodology Details



Investment Reasoning

Implementation

Asset Allocation	Asset allocation is the key decision. Investors should choose more conservative allocations as their withdrawal date draws closer.	The fund automatically changes its asset allocation to become more conservative as the retirement date approaches.
Rebalancing	Rebalancing is necessary to ensure that a portfolio's risk and return characteristics remain consistent with the chosen asset allocation.	The fund is rebalanced with cash flow daily. Funds are also rebalanced if the allocation shifts materially from the target for that year.
Diversification	Diversification reduces portfolio risk. Substantial deviations from market capitalization weights expose investors to risks that are unlikely to pay off over the long term.	No explicit portfolio tilts on size or style factors. Accumulation portfolios allocate 20% of equities to international markets for diversification.
Inflation Protection	The value of equities and income generally rise with inflation with some lag. Inflation-Protected Securities provide an immediate hedge against inflation for retirees.	2005 and Retirement Income funds include Inflation-Protected Securities to provide an immediate inflation hedge.
Investment Management Style	Most market timing and performance chasing strategies perform worse than buy-and-hold strategy. In addition, typically more than two-thirds of active equity and bond funds under-perform index benchmarks over long periods.	The asset allocation of the funds are strategic. No tactical asset allocation changes are employed. Primarily index funds are used.
Costs	Costs reduce investment returns dollar for dollar. By minimizing costs, investors can increase the odds of posting superior relative returns.	The funds' management expenses are 0.21% to 0.23%. Each fund's fee is the average weighted expense ratio of the underlying funds.

Vanguard Target Retirement Income Fund: Portfolio and Performance



Total Fund Characteristics

Assets (millions)	\$407.1
30-Day Yield (SEC) as of December 31, 2004	3.7%
Average Weighted Expense Ratio*	0.21%
Fund Asset Allocation	
Stocks	20%
Bonds	75%
Short-Term Reserves	5%

Current Fund Allocation

Vanguard® Total Bond Market Index Fund	50%
Vanguard® Inflation-Protected Securities Fund	25%
Vanguard® Total Stock Market Index Fund	20%
Vanguard® Prime Money Market Fund	5%

Total Returns**

	Target Retirement Income Fund	Target Income Composite Average***	Target Income Composite Index†
Periods Ended December 31, 2004			
1 Year	6.82%	6.53%	6.90%
Since Inception††	8.00	7.79	8.16
Calendar Year Performance			
2004	6.82%	6.53%	6.90%
4Q2004	3.15	3.44	3.16

* For underlying funds.

** 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.

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. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at www.vanguard.com.

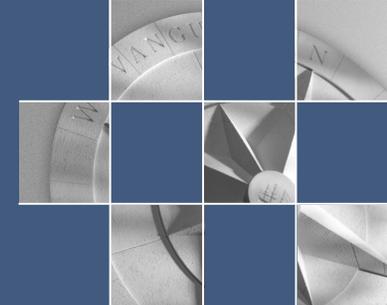
*** Target Income Composite Average is a composite fund average weighted 50% Average Fixed Income Fund, 25% Average Treasury Inflation Protected Securities Fund, 20% Average General Equity Fund, and 5% Average Money Market Fund. Derived from data provided by Lipper Inc.

† Target Income Composite Index is made up of four unmanaged benchmarks, weighted 50% Lehman Aggregate Bond Index, 25% Lehman Treasury Inflation Notes Index, 20% Wilshire 5000 Index, and 5% Citigroup 3-Month Treasury Index.

†† Since the fund's inception, October 27, 2003.

As of December 31, 2004, unless otherwise noted.

Vanguard Target Retirement 2005 Fund: Portfolio and Performance



Total Fund Characteristics

Assets (millions)	\$312.8
30-Day Yield (SEC) as of December 31, 2004	3.4%
Average Weighted Expense Ratio*	0.21%
Fund Asset Allocation	
Stocks	33%
Bonds	67%
Short-Term Reserves	1%

Current Fund Allocation

Vanguard Total Bond Market Index Fund	50%
Vanguard Total Stock Market Index Fund	33%
Vanguard Inflation-Protected Securities Fund	16%
Vanguard Prime Money Market Fund	1%

Total Returns**

	Target Retirement 2005 Fund	Target 2005 Composite Average***‡	Target 2005 Composite Index††
Periods Ended December 31, 2004			
1 Year	7.71%	7.27%	7.67%
Since Inception††	9.89	9.49	9.99
Calendar Year Performance			
2004	7.71%	7.27%	7.67%
4Q2004	4.27	4.58	4.25

* For underlying funds.

** 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.

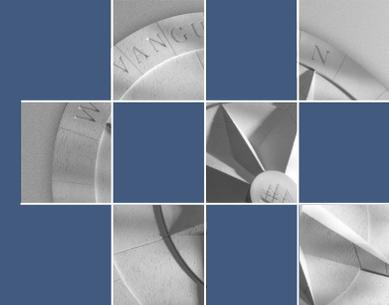
*** Target 2005 Composite Average for the current fiscal year is a composite fund average weighted 50% Average Fixed Income Fund, 33% Average General Equity Fund, 16% Average Treasury Inflation Protected Securities Fund, and 1% Average Money Market Fund. Derived from data provided by Lipper Inc.

† Target 2005 Composite Index for the current fiscal year is made up of three unmanaged benchmarks, weighted 50% Lehman Aggregate Bond Index, 33% Wilshire 5000 Index, 16% Lehman Treasury Inflation Notes Index, and 1% Citigroup 3-Month Treasury Index.

†† Since the fund's inception, October 27, 2003.

‡ Based on the Target Retirement 2005 Fund's glide path, the weightings change as the target fund allocations change each year. The fund's Composite Average and Composite Index are spliced series of these annual benchmarks.
As of December 31, 2004, unless otherwise noted.

Vanguard Target Retirement 2015 Fund: Portfolio and Performance



Total Fund Characteristics

Assets (millions)	\$707.2
30-Day Yield (SEC) as of December 31, 2004	3.0%
Average Weighted Expense Ratio*	0.22%
Fund Asset Allocation	
Stocks	47%
Bonds	51%
Short-Term Reserves	2%

Current Fund Allocation

Vanguard Total Bond Market Index Fund	50%
Vanguard Total Stock Market Index Fund	39%
Vanguard European Stock Index Fund	7%
Vanguard Pacific Stock Index Fund	3%
Vanguard Inflation-Protected Securities Fund	2%

Total Returns**

	Target Retirement 2015 Fund	Target 2015 Composite Average***‡	Target 2015 Composite Index††
Periods Ended December 31, 2004			
1 Year	9.04%	8.52%	9.07%
Since Inception††	12.09	11.40	12.15
Calendar Year Performance			
2004	9.04%	8.52%	9.07%
4Q2004	5.89	6.20	5.94

* For underlying funds.

** 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.

*** Target 2015 Composite Average for the current fiscal year is a composite fund average weighted 50% Average Fixed Income Fund, 39% Average General Equity Fund, 10% Average International Fund, and 1% Average Treasury Inflation Protected Securities Fund. Derived from data provided by Lipper Inc.

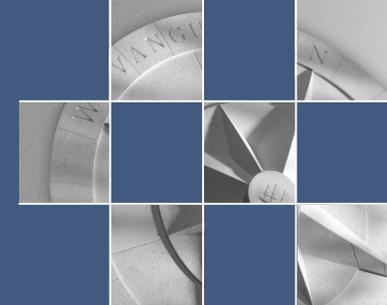
† Target 2015 Composite Index for the current fiscal year is made up of three unmanaged benchmarks, weighted 50% Lehman Aggregate Bond Index, 39% Dow Jones Wilshire 5000 Index, 10% MSCI EAFE Index, and 1% Lehman US Treasury Inflation Protected Securities Index.

‡ Based on the Target Retirement 2015 Fund's glide path, the weightings change as the target fund allocations change each year. The fund's Composite Average and Composite Index are spliced series of these annual benchmarks.

†† Since the fund's inception, October 27, 2003.

As of December 31, 2004, unless otherwise noted.

Vanguard Target Retirement 2025 Fund: Portfolio and Performance



Total Fund Characteristics

Assets (millions)	\$708.3
30-Day Yield (SEC) as of December 31, 2004	2.7%
Average Weighted Expense Ratio*	0.22%
Fund Asset Allocation	
Stocks	57%
Bonds	40%
Short-Term Reserves	3%

Current Fund Allocation

Vanguard Total Stock Market Index Fund	47%
Vanguard Total Bond Market Index Fund	41%
Vanguard European Stock Index Fund	8%
Vanguard Pacific Stock Index Fund	4%

Total Returns**

	Target Retirement 2025 Fund	Target 2025 Composite Average***‡	Target 2025 Composite Index††
Periods Ended December 31, 2004			
1 Year	10.11%	9.44%	10.08%
Since Inception††	13.75	12.80	13.74
Calendar Year Performance			
2004	10.11%	9.44%	10.08%
4Q2004	6.95	7.23	7.00

* For underlying funds.

** 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. 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. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at www.vanguard.com.

*** Target 2025 Composite Average for the current fiscal year is a composite fund average weighted 41% Average Fixed Income Fund, 47% Average General Equity Fund, 12% Average International Fund. Derived from data provided by Lipper Inc.

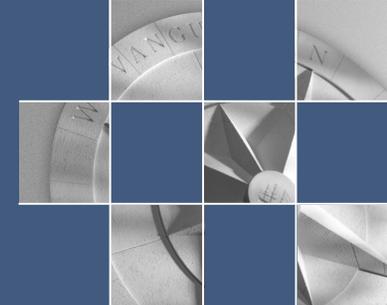
† Target 2025 Composite Index for the current fiscal year is made up of three unmanaged benchmarks, weighted 41% Lehman Aggregate Bond Index, 47% Dow Jones Wilshire 5000 Index, 12% MSCI EAFE Index.

†† Since the fund's inception, October 27, 2003.

‡ Based on the Target Retirement 2025 Fund's glide path, the weightings change as the target fund allocations change each year. The fund's Composite Average and Composite Index are spliced series of these annual benchmarks.

As of December 31, 2004, unless otherwise noted.

Vanguard Target Retirement 2035 Fund: Portfolio and Performance



Total Fund Characteristics

Assets (millions)	\$372.8
30-Day Yield (SEC) as of December 31, 2004	2.2%
Average Weighted Expense Ratio*	0.21%
Fund Asset Allocation	
Stocks	76%
Bonds	22%
Short-Term Reserves	2%

Current Fund Allocation

Vanguard Total Stock Market Index Fund	62%
Vanguard Total Bond Market Index Fund	22%
Vanguard European Stock Index Fund	11%
Vanguard Pacific Stock Index Fund	5%

Total Returns**

	Target Retirement 2035 Fund	Target 2035 Composite Average***‡	Target 2035 Composite Index††
Periods Ended December 31, 2004			
1 Year	11.95%	11.04%	11.91%
Since Inception††	16.52	15.22	16.58
Calendar Year Performance			
2004	11.95%	11.04%	11.91%
4Q2004	8.98	9.13	8.99

* For underlying funds.

** 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. 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. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at www.vanguard.com.

*** Target 2035 Composite Average for the current fiscal year is a composite fund average weighted 62% Average General Equity Fund, 22% Average Fixed Income Fund, and 16% Average International Fund. Derived from data provided by Lipper Inc.

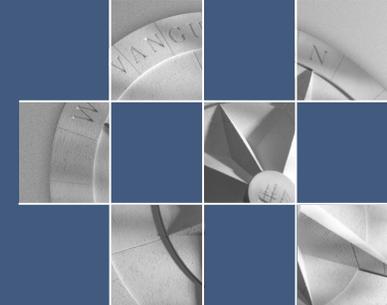
† Target 2035 Composite Index for the current fiscal year is made up of three unmanaged benchmarks, weighted 62% Dow Jones Wilshire 5000 Index, 22% Lehman Aggregate Bond Index, and 16% MSCI EAFE Index.

†† Since the fund's inception, October 27, 2003.

‡ Based on the Target Retirement 2035 Fund's glide path, the weightings change as the target fund allocations change each year. The fund's Composite Average and Composite Index are spliced series of these annual benchmarks.

As of December 31, 2004, unless otherwise noted.

Vanguard Target Retirement 2045 Fund: Portfolio and Performance



Total Fund Characteristics

Assets (millions)	\$142.0
30-Day Yield (SEC) as of December 31, 2004	2.0%
Average Weighted Expense Ratio*	0.21%
Fund Asset Allocation	
Stocks	88%
Bonds	11%
Short-Term Reserves	1%

Current Fund Allocation

Vanguard Total Stock Market Index Fund	71%
Vanguard European Stock Index Fund	13%
Vanguard Total Bond Market Index Fund	11%
Vanguard Pacific Stock Index Fund	5%

Total Returns**

	Target Retirement 2045 Fund	Target 2045 Composite Average***‡	Target 2045 Composite Index††
Periods Ended December 31, 2004			
1 Year	12.89%	12.03%	13.02%
Since Inception††	18.14	16.71	18.28
Calendar Year Performance			
2004	12.89%	12.03%	13.02%
4Q2004	10.11	10.23	10.15

* For underlying funds.

** 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. 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. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at www.vanguard.com.

*** Target 2045 Composite Average for the current fiscal year is a composite fund average weighted 71% Average General Equity Fund, 18% Average International Fund, and 11% Average Fixed Income Fund. Derived from data provided by Lipper Inc.

† Target 2045 Composite Index for the current fiscal year is made up of three unmanaged benchmarks, weighted 71% Dow Jones Wilshire 5000 Index, 18% MSCI EAFE Index, and 11% Lehman Aggregate Bond Index.

†† Since the fund's inception, October 27, 2003.

‡ Based on the Target Retirement 2045 Fund's glide path, the weightings change as the target fund allocations change each year. The fund's Composite Average and Composite Index are spliced series of these annual benchmarks.

As of December 31, 2004, unless otherwise noted.

Regulatory Disclaimer

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.

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. For performance data current to the most recent month-end, which may be higher or lower than that cited, visit our website at www.vanguard.com.

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Mutual funds are subject to risk. For U.S. investors, foreign markets present increased risk and share-price volatility. Funds that concentrate on a relatively narrow sector face the risk of higher share-price volatility. Investments in bond funds are subject to interest rate and inflation risk. High-yield bonds present higher credit risk than other types of bonds. Mid- and Small-capitalization stocks historically have been more volatile than large-cap stocks.

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THE **Vanguard** GROUP®



Wisconsin Deferred Compensation Program

February 22, 2005

Presented by: Robert L. Lawler, Senior Relationship Manager–Institutional Investments Group
Jeffrey S. Molitor, Principal – Institutional Investments Group
Mark A. Sokol, Sales Executive – Institutional Investments Group

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