



Stable Value Fund

Stable value fund

Fund facts	Total net assets	Expense ratio as of 12/31/18	Inception date	Fund number
	\$1,282 MM	0.30%	12/31/78	4197

Investment objective

The Stable Value Fund seeks to preserve principal and produce positive returns that move in the general direction of market interest rates. The fund is designed to have less return volatility than most bond funds.

Investment strategy

Invesco is the investment manager of the Stable Value Fund. The fund invests in a diversified portfolio of investment contracts issued by high-quality financial institutions such as insurance companies and banks. Many of the contracts are backed by high-quality bonds to enhance the safety of the fund.

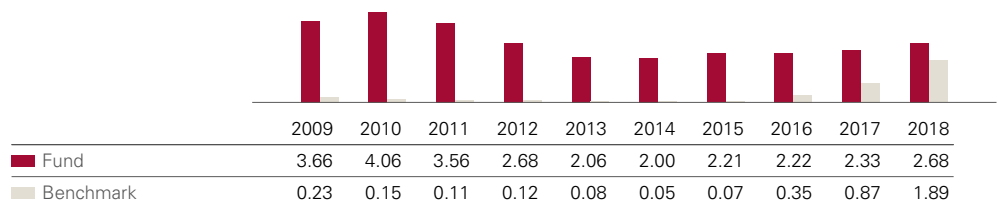
Guidelines for investment restriction: You cannot transfer money directly from the Stable Value Fund to Vanguard Prime Money Market Fund or Vanguard Inflation-Protected Securities Fund*. Any exchanges from the Stable Value Fund must first be made to any fund or funds other than these two funds and remain there for 90 days. After 90 days you can then exchange the money into either Vanguard Prime Money Market Fund or Vanguard Inflation-Protected Securities Fund*. For example, if you wanted to transfer money from the Stable Value Fund to Vanguard Prime Money Market Fund, you would do it like this: On January 20, transfer the money from the Stable Value Fund into any of the other funds in the plan except Vanguard Prime Money Market Fund or Vanguard Inflation-Protected Securities Fund* (for instance, Vanguard Total Bond Market Index Fund). On April 20 or any time thereafter, transfer the money from Vanguard Total Bond Market Index Fund to Vanguard Prime Money Market Fund.

* The Vanguard Inflation-Protected Securities Fund is not offered in all of the savings plans.

Benchmark

BloomBarc US 3 Mo Tr Bellwether Idx

Annual returns



Total returns

Periods ended September 30, 2019

	Quarter	Year to date	One year	Three years	Five years	Ten years
Fund	0.70%	2.11%	2.82%	2.56%	2.42%	2.69%
Benchmark	0.57%	1.83%	2.41%	1.56%	1.00%	0.55%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns will fluctuate. 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.

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Sector Distribution

1. ABS	20.5%
2. Agencies	1.6%
3. Agency Mortgage Backed	21.0%
4. Non-Agency Mortgage Backed	0.9%
5. CMBS	7.3%
6. Corporate	24.6%
7. Municipal	0.0%
8. Non-US Govt/Agy	0.1%
9. Cash	0.0%
10. Treasuries	24.0%
<hr/>	
	100.00%

Credit Quality	% of fund
AAA*	75.6%
AA	3.9%
A	12.2%
BBB	8.3%
<BBB	0.0%
Not Rated	0.0%
<hr/>	
	100.00%

Average credit quality: AA+

*Cash & STIF holdings are included in 'AAA' allocation.

Diversification by Contract Type

1. Synthetic GICs	97.2%
2. Separate Account GICs	0.0%
3. Traditional GICs	0.0%
4. Cash & Equivalents	2.8%
<hr/>	
	100.00%

Top Ten Exposures

1. Agency Pass Thru (TBA)**	8.28%
2. USTN 1.500% 09-30-21**	1.43%
3. USTN 1.500% 09-15-22**	1.31%
4. USTN 2.750% 09-15-21**	1.28%
5. USTN 2.750% 09-30-20**	0.91%
6. USTN 1.500% 09-30-24**	0.89%
7. USTN 2.500% 01-15-22**	0.84%
8. USTN 2.375% 04-15-21**	0.84%
9. USTN 2.500% 02-15-22**	0.74%
10. USTN 1.875%11-30-21**	0.66%

**Security held in a commingled Group Trust Fund.

Market to Book Ratio 102.60%

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Plain talk about risk

A stable value fund investment does not constitute a balanced investment program. Although highly rated investments are selected for the fund, the contracts held by the fund are not guaranteed by the U.S. government, Vanguard, the trustee, or your retirement plan. The fund will seek to invest with a diversified selection of contract issuers. A stable value fund is designed as a low-risk investment but you could still lose money by investing in it. The primary risks of investing in the fund are:

Credit risk: The chance that an issuer will fail to pay interest and principal in a timely manner. Credit risk should be low for the fund because it invests mainly in investments that are considered high-quality.

Event Risk: The chance that a synthetic or traditional contract issuer will pay participant benefits at a value less than book value because of the occurrence of an event or condition which is outside the normal operation of the plan (for example, layoffs, plan amendments, sale of a division, participant withdrawals due to the plan sponsor's insolvency or bankruptcy).

Income Risk: The possibility that a fund's income will decline as a result of falling interest rates. Investments are generally made for terms of at least two to five years, on average, producing a rate of fund income that will be higher than that earned on shorter-maturity money market funds. But because it is influenced by average interest rates over a period of several years, the fund's income yield may remain above or stay below current market yields during some time periods. Income risk will be moderately high for the fund.

Inflation Risk: The chance that fund returns will not keep pace with the cost of living.

Market risk: The chance that the fund's price per share will change as a result of movements in market interest rates, resulting in gains or losses on investments made in the fund. The risk is minimized by investing primarily in investment contracts that enable the fund, under present accounting standards, to value its assets at book value. Most often associated with stock mutual funds, short-term market risk is low.

Note: An investment in the fund is neither insured nor guaranteed by the U.S. government. There is no assurance that the fund will be able to maintain a stable net asset value of \$1 a share, and it is possible to lose money by investing in the fund.

The fund is not a mutual fund. It is a separately managed investment fund available only to tax-qualified plans and their eligible participants. For information on the fund's operations, expenses, fees and investment policies, contact The Vanguard Group, P.O. Box 2900, Valley Forge, PA 19482-2900; call 800-523-1188; or visit vanguard.com.

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