

# Vanguard Wellesley<sup>®</sup> Income Fund

Balanced fund (stocks and bonds) | Investor Shares

## Fund facts

Total net assets	Expense ratio as of 01/28/26	Ticker symbol	Turnover rate	Inception date	Fund number
\$7,557 MM	0.22%	VWINX	62.9%	07/01/70	0027

## 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.

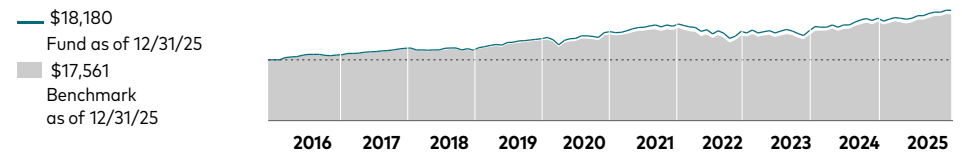
## Investment strategy

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.

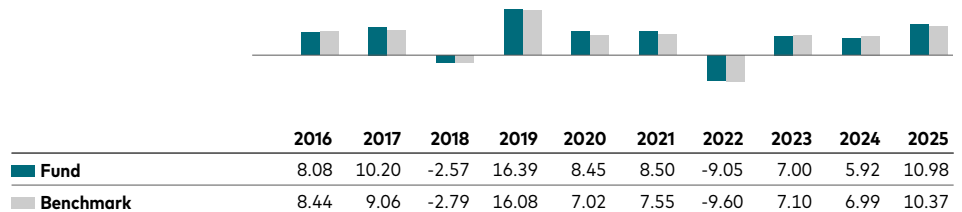
## Benchmark

Wellesley Income Composite Index

## Growth of a \$10,000 investment: December 31, 2015–December 31, 2025



## Annual returns



## Total returns

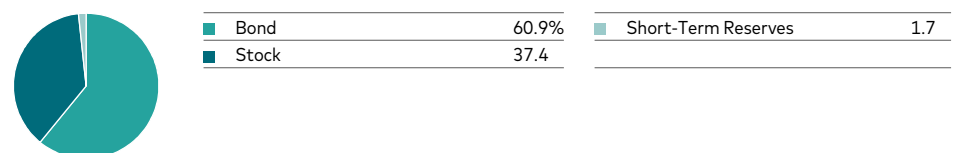
Periods ended March 31, 2026

	Quarter	Year to date	One year	Three years	Five years	Ten years
<b>Fund</b>	0.27%	0.27%	8.18%	7.57%	4.26%	5.80%
<b>Benchmark</b>	1.09%	1.09%	9.15%	7.99%	4.29%	5.51%

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](http://vanguard.com/performance). The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

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



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 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.

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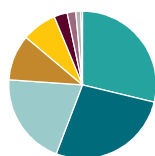
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## Ten largest holdings\*

1	Broadcom Inc.	
2	Merck & Co. Inc.	
3	Diamondback Energy Inc.	
4	Johnson & Johnson	
5	Bank of America Corp.	
6	Unilever	
7	Cisco Systems Inc.	
8	T-Mobile US Inc.	
9	Huntington Bancshares Inc.	
10	Crown Castle Inc.	
Top 10 as % of total net assets		9.4%

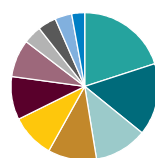
\* The holdings listed exclude any temporary cash investments and equity index products.

## Distribution by issuer—bonds



Finance	28.8%	Government Mortgage-Backed	2.9
Industrial	27.1	Foreign	1.9
Treasury/Agency	20.3	Asset-Backed	1.1
Utilities	10.0	Commercial Mortgage-Backed	0.4
Other	7.6		

## Sector Diversification



Financials	20.0%	Energy	8.3
Health Care	15.9	Consumer Discretionary	4.0
Information Tech	11.6	Real Estate	4.0
Industrials	10.7	Materials	3.7
Consumer Staples	9.6	Communication Services	2.9
Utilities	9.5	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

As with any investment, an investment in the fund could lose money over any time period. The fund's share price and total return may fluctuate, potentially within a wide range. The principal risks of investing in the fund are summarized below. Each of the following risks could affect the fund's performance:

**General Market Risk.** The markets in which the fund invests can be affected by a variety of factors. These factors, which can be real or perceived, may include economic, market, political, and regulatory conditions and developments as well as local, regional, or global events such as wars, military conflicts, natural disasters, and public health issues. In addition, investor sentiment and expectations regarding these factors can also impact the markets. Different parts of the market, including different industries and sectors as well as different types of securities, may react differently to factors that affect the market. These factors can contribute to market uncertainty, market volatility, and fluctuations in the value of the fund's investments, thereby resulting in potential losses to the fund over short or long periods.

**Investing in Bond Markets.** The fund may be impacted by the general condition of the bond markets and by factors that affect bonds and bond issuers. For example, as a general rule, bond prices and interest rates move in opposite directions. When interest rates rise, bond prices tend to fall, and when interest rates fall, bond prices tend to go up. Bond income also is affected by changes in interest rates. Interest rates can rise or fall for a number of reasons, including, but not limited to, central bank monetary policy, inflationary or deflationary pressures, and changes in general market and economic conditions. Changing interest rates, including, but not limited to, rates that fall below zero, could have unpredictable effects on the overall market and may expose the bond markets in particular to heightened volatility and potential illiquidity. The degree to which the fund is impacted by certain bond market risks may vary based on factors disclosed in its principal investment strategies, such as the types of bonds in which it invests and the overall credit quality, average maturity, and/or average duration of its bond holdings.

**Interest Rate Risk.** During periods of rising interest rates, bond prices overall may decline, which could result in a decline in the fund's value. The prices of longer-term bonds are more sensitive to changes in interest rates than the prices of shorter-term bonds.

**Income Risk.** During periods of falling interest rates, the fund's income may decline. The income paid by shorter-term bonds is subject to a higher degree of fluctuation than the income paid by longer-term bonds.

**Credit Risk.** Credit risk refers to the chance that an issuer will default (fail to meet its credit obligations) or fail to make payments in a timely manner, which could result in a loss to the fund. In addition, negative perceptions of an issuer's ability to make payments can cause the price of a security to decline. While all debt securities are subject to credit risk to some extent, those with higher credit quality ratings generally pose less credit risk than those with lower credit quality ratings.

**Bond Liquidity Risk.** If the fund is unable to sell a security at an advantageous time or price, its returns may be reduced. There may be limited trading in the secondary market for certain debt securities, which could make them more difficult to value or sell.

**Call Risk.** Certain bonds held by the fund may be callable. The issuer of a callable bond has the right to "call" (redeem) the bond before its maturity date. Calls on bonds held by the fund would result in the fund losing any price appreciation above the bond's call price. In addition, because bond calls occur more frequently during periods of falling interest rates, the fund likely would be forced to reinvest the proceeds of any called bonds at a lower interest rate than that of the called bonds, resulting in a decline in the fund's income and a potential loss in the value of the fund's investments. Frequent bond calls and subsequent reinvestments of the proceeds also would increase the fund's turnover rate.

**Prepayment Risk.** Certain bonds are subject to risks associated with prepayment. Prepayment risk for callable bonds is described under **Call Risk**. With respect to mortgage-backed, asset-backed, and similar debt securities, prepayment typically refers to borrowers repaying their debt early (e.g., before the maturity date). Prepayment of bonds held by the fund would result in the fund losing any price appreciation above the amount repaid (or the bond's call price, in the case of callable bonds). In addition, because prepayments occur more frequently in low interest rate environments, the fund likely would be forced to reinvest the proceeds from any prepayments at a lower interest rate than when the prepaid bonds were purchased, resulting in a decline in the fund's income and a potential loss in the value of the fund's investments. Frequent prepayments and subsequent reinvestment of the proceeds also would increase the fund's turnover rate.

**Extension Risk.** During periods of rising interest rates, certain bonds held by the fund may be paid off substantially more slowly than originally anticipated. As a result, the value of the bonds may fall, resulting in a decline in the fund's income and a potential loss in the value of the fund's investments.

**Investing in Equity Markets.** The fund invests in the equity markets. Equity markets have historically been cyclical, having periods of time when stock values rise and fall. Market volatility can lead to significant fluctuations in stock values, resulting in potential losses to the fund.

**Market Capitalization (Market Cap).** Companies are generally classified into three types of market cap depending on their size: small-, mid-, and large-cap. Companies can be further

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classified into micro- or mega-cap. Different factors can affect each market cap uniquely, and historically small-and mid-cap stocks have typically been more volatile due to the effects of changing economic conditions. Large companies may not reach the same levels of growth or performance as smaller companies, and they may be slower to react to competitive challenges. The performance of funds that invest in a subset of market caps could diverge from the performance of a fund that is focused on a broader representation of the stock market.

**Dividend Investing.** The fund's emphasis on dividend-paying stocks could cause the fund to underperform other funds that invest without consideration of a company's track record of paying dividends.

**Value Investing.** The fund's approach to value investing could cause it to underperform other stock funds that use a different investment style. The fund's investments in value stocks are subject to the risk that the stocks' valuations do not improve at the anticipated rate or that their returns do not move in tandem with the returns of other investment styles or the broader stock market.

**Active Management.** The fund is actively managed. The advisor's security selection and/or strategy execution could cause the fund to underperform relevant securities markets 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.

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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.**

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