



Metropolitan West Total Return Bond Fund

Institutional Class

Who Should Invest

- Investors seeking a high and relatively stable level of interest income.
- Investors seeking a bond investment to balance the risks of a portfolio containing stocks.

Who Should Not Invest

- Investors unwilling to accept moderate fluctuations in share price.
- Investors seeking long-term growth of capital.

Share Class Assets: \$820.6 million
as of 6/30/2004

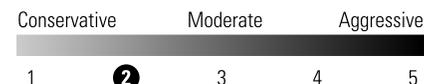
Expenses: 0.44%*

Ticker Symbol: MWTIX

Newspaper Listing: TotRetBdI

Fund Inception: March 31, 2000

Overall Risk Level:



Investment Objective

The Metropolitan West Total Return Bond Fund seeks to maximize long-term total return.

Investment Strategy

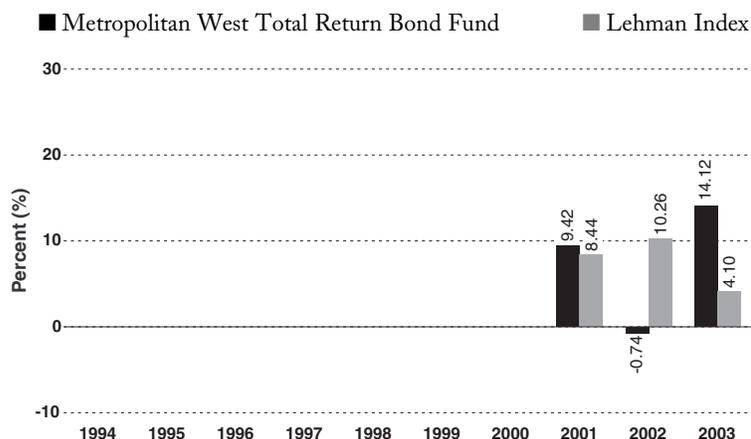
The fund invests in a diversified portfolio of fixed income securities of varying maturities issued by domestic and foreign corporations and governments (and their agencies and instrumentalities) with a portfolio duration of 2 to 8 years. The fund's portfolio may include bonds, notes, collateralized bond obligations, collateralized debt obligations, mortgage-related and asset-backed securities, and money market securities. These investments may have interest rates that are fixed, variable, or floating. The advisor will concentrate the fund's portfolio holdings in areas of the bond market that are believed to be relatively undervalued.

Under normal circumstances, the fund will invest at least 80% of its net assets in investment-grade securities.

See reverse side for Fund Profile.

Performance

Annual Returns 2001–2003 — Metropolitan West Total Return Bond Fund vs. Lehman Index**



Total Returns for Periods Ended June 30, 2004***

	Year to Date	1 Year	3 Years	Since Inception
Metropolitan West Total Return Bond Fund	0.15%	5.46%	5.63%	7.12%
Lehman Index	0.15%	0.32%	6.36%	—

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

*For most recent fiscal year.

**Lehman Aggregate Bond Index, an unmanaged measure of bond market performance.

***Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns.