



**Vanguard**<sup>®</sup>

# Vanguard Prime Money Market Fund Summary Prospectus

December 23, 2009

## Institutional Shares

Vanguard Prime Money Market Fund Institutional Shares (VMRXX)

The Fund's statutory Prospectus and Statement of Additional Information dated December 23, 2009, and the most recent shareholder reports are incorporated into and made part of this Summary Prospectus by reference.

Before you invest, you may want to review the Fund's Prospectus, which contains more information about the Fund and its risks. You can find the Fund's Prospectus and other information about the Fund online at [www.vanguard.com/prospectus](http://www.vanguard.com/prospectus). You can also get this information at no cost by calling 800-662-7447 (if you are an individual investor), 888-809-8102 (if you are a client of Vanguard's Institutional Division), or by sending an e-mail request to [online@vanguard.com](mailto:online@vanguard.com).

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

## Investment Objective

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

## Fees and Expenses

The following tables describe the fees and expenses you may pay if you buy and hold Institutional Shares of the Fund.

### Shareholder Fees

(Fees paid directly from your investment)

Sales Charge (Load) Imposed on Purchases	None
Purchase Fee	None
Sales Charge (Load) Imposed on Reinvested Dividends	None
Redemption Fee	None

### Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

Management Expenses	0.07%
12b-1 Distribution Fee	None
Other Expenses	0.03%
Total Annual Fund Operating Expenses <sup>1</sup>	0.10%

<sup>1</sup> The Total Annual Fund Operating Expenses have been restated to reflect current expenses that no longer include fees for participation in the Treasury Money Market Fund Guarantee Program, which the U.S. Treasury Department discontinued as of September 18, 2009. Vanguard and the Fund's Board have agreed to temporarily limit certain net operating expenses in excess of the Fund's daily yield so as to maintain a zero or positive yield for the Fund. Vanguard and the Fund's Board may terminate the temporary expense limitation at any time.

### Example

The following example is intended to help you compare the cost of investing in the Fund's Institutional Shares with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you invest \$10,000 in the Fund's shares. This example assumes that the Shares provide a return of 5% a year and that operating expenses remain the same. The results apply whether or not you redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$10	\$32	\$56	\$128

### Primary Investment Policies

The Fund invests primarily in high-quality, short-term money market instruments, including certificates of deposit, banker’s acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories. The Fund invests more than 25% of its assets in securities issued by companies in the financial services industry. The Fund maintains a dollar-weighted average maturity of 90 days or less.

### Primary Risks

The Fund is designed for investors with a low tolerance for risk; however, the Fund’s performance could be hurt by:

- *Income risk*, which is the chance that the Fund’s income will decline because of falling interest rates. Because the Fund’s income is based on short-term interest rates—which can fluctuate significantly over short periods—income risk is expected to be high.
- *Manager risk*, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- *Credit risk*, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer’s ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the Fund, because it invests primarily in securities that are considered to be of high quality.
- *Industry concentration risk*, which is the chance that there will be overall problems affecting a particular industry. Because the Fund invests more than 25% of its assets in securities issued by companies in the financial services industry, the Fund’s performance depends to a greater extent on the overall condition of that industry.

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

## Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's Institutional Shares has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the Fund's Institutional Shares compare with those of a relevant market index and a comparative benchmark. The last line item in the table is derived from data provided by Lipper Inc. Keep in mind that the Fund's past performance does not indicate how the Fund will perform in the future. Updated performance information is available on our website at [www.vanguard.com](http://www.vanguard.com) or by calling Vanguard toll-free at 800-662-7447.

### Annual Total Returns—Institutional Shares<sup>1</sup>



<sup>1</sup> The year-to-date return as of the most recent calendar quarter, which ended on September 30, 2009, was 0.61%.

During the periods shown in the bar chart, the highest return for a calendar quarter was 1.66% (quarter ended September 30, 2000), and the lowest return for a quarter was 0.24% (quarter ended March 31, 2004).

### Average Annual Total Returns for Periods Ended December 31, 2008

	1 Year	5 Years	10 Years
Vanguard Prime Money Market Fund Institutional Shares	2.93%	3.56%	3.67%
<b>Comparative Benchmarks</b>			
Citigroup 3-Month U.S. Treasury Bill Index (reflects no deduction for fees or expenses)	1.80%	3.10%	3.30%
Institutional Money Market Funds Average	2.50	3.20	3.32

## Investment Advisor

The Vanguard Group, Inc.

## Portfolio Manager

David R. Glocke, Principal of Vanguard. He has managed the Fund since 2003.

## Purchase and Sale of Fund Shares

You may purchase or redeem shares online through our website at [www.vanguard.com](http://www.vanguard.com), by mail (The Vanguard Group, P.O. Box 1100, Valley Forge, PA 19482-1110), or by telephone (800-662-2739). The following table provides the Fund's minimum initial and subsequent investment requirements.

Account Minimums	Institutional Shares
To open and maintain an account	\$5 million
To add to an existing account	\$100 by check, exchange, wire, or electronic bank transfer (other than Automatic Investment Plan, which has no established minimum).

## Tax Information

The Fund's distributions may be taxable as ordinary income or capital gain. Distributions are taxable to you for federal income tax purposes, whether or not you reinvest these amounts in additional Fund shares. Dividend distributions that you receive may also be subject to state and local income taxes

## Financial Intermediary Compensation

The Fund and its investment advisor do not pay financial intermediaries for sales of Fund shares or related services.

Click here to view the fund's [statutory prospectus](#) or [statement of additional information](#).

Vanguard Prime Money Market Fund Institutional Shares—Fund Number 66

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