

Vanguard® 500 Index Fund

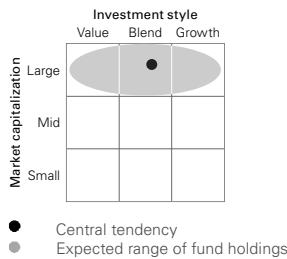
Product Summary

Seeks to track the performance of the S&P 500 Index.
 U.S. large-cap equity diversified across growth and value styles.
 Passively managed, full-replication approach.
 Fund remains fully invested.
 Low expenses minimize net tracking error.

Note: The Investor Shares are closed to new investors.

Vanguard Style View: Large Blend

Index portfolio of large-capitalization U.S. stocks diversified across investment styles.



Quarterly Commentary

The human toll of COVID-19 further mounted during the second quarter of 2021 amid fresh outbreaks of the virus and new variants. The global economy nevertheless continued to rebound sharply if unevenly. Countries that have better succeeded in containing the virus—whether through vaccinations, lockdowns, or both—tended to fare the best. With the reopening of economies and pent-up demand boosting corporate profits, global stocks finished the quarter significantly higher. U.S. stocks outperformed other developed markets as a whole as well as emerging markets.

The combination of faster economic growth, a recovery in commodity prices, ongoing fiscal and monetary stimulus, and a low basis of comparison from last year pushed inflation readings higher. Although those forces caused some volatility in longer-term interest rates (even as central bank policy kept short-term rates anchored near zero), they ended the quarter lower in a number of developed markets. The yield of the bellwether U.S. 10-year Treasury note declined by 0.27 percentage points over the quarter to finish at 1.47%. The broad U.S. investment-grade bond market returned almost 2%, and global bonds returned more than 1% in U.S. dollars (as measured by the Bloomberg Barclays Global Aggregate Bond Index).

For the three-month period ended June 30, the S&P 500 Index returned 8.55%.

Information technology (+11.6%), communication services (+10.7%), and health care (+8.4%) were the top contributors.

For the 12-month period ended June 30, 2021, the index returned 40.79%. The largest contributors were information technology (+43.1%), financials (+61.9%), and communication services (+48.3%). Utilities (+15.7%) added the least.

People and Process

Vanguard 500 Index Fund seeks to track the investment performance of the Standard & Poor's 500 Index, an unmanaged benchmark representing U.S. large-capitalization stocks. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the index. The experience and stability of Vanguard's Equity Index Group have permitted continuous refinement of techniques for reducing tracking error. The group uses proprietary software to implement trading decisions that accommodate cash flow and maintain close correlation with index characteristics. Vanguard's refined indexing process, combined with low management fees and efficient trading, has provided tight tracking net of expenses.

Vanguard Equity Index Group

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. As chief investment officer, Gregory Davis, CFA, oversees Vanguard's Equity Index, Quantitative Equity, and Fixed Income Groups. Rodney Comegys, Principal and global head of Vanguard's Equity Index Group, is responsible for all equity index funds. The Equity Index Group manages indexed equity portfolios covering U.S. and international markets. It has developed sophisticated portfolio construction methodologies and efficient trading strategies that seek to deliver returns that are highly correlated with target portfolio benchmarks. The group has advised Vanguard 500 Index Fund since 1976.

Investment Manager Biographies

Donald M. Butler, CFA, Principal. Portfolio manager. Advised the fund since 2016. Worked in investment management since 1997. B.S.B.A., Shippensburg University.

Michelle Louie, CFA. Portfolio manager. Advised the fund since 2017. Worked in investment management since 2011. B.S., The American University. M.B.A., Georgia Institute of Technology.

Total Returns

	Expense Ratio	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
500 Index Fund								
Investor Shares (8/31/1976)	0.14%	8.51%	15.18%	40.62%	18.52%	17.49%	14.68%	—
Admiral Shares (11/13/2000)	0.04	8.54	15.24	40.76	18.64	17.61	14.80	—
Institutional Select Shares (6/24/2016)	0.01	8.55	15.26	40.81	18.68	17.65	—	18.30%
S&P 500 Index	—	8.55	15.25	40.79	18.67	17.65	14.84	—

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.

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.

Note: Admiral class shareholders are required to maintain specific minimum balances and meet other special criteria.

Quarterly Returns: Investor Shares

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End		
					500 Index	S&P 500 Index	Assets (Millions)
2021	6.15%	8.51%	—	—	—	—	\$4,774
2020	-19.63	20.52	8.89%	12.12%	18.25%	18.40%	4,504
2019	13.62	4.27	1.67	9.03	31.33	31.49	4,723
2018	-0.79	3.40	7.67	-13.55	-4.52	-4.38	23,162
2017	6.03	3.05	4.45	6.61	21.67	21.83	27,656
2016	1.31	2.42	3.82	3.80	11.82	11.96	26,652
2015	0.91	0.26	-6.48	7.00	1.25	1.38	26,092
2014	1.76	5.19	1.09	4.89	13.51	13.69	28,040
2013	10.57	2.87	5.20	10.46	32.18	32.39	27,758
2012	12.54	-2.78	6.31	-0.42	15.82	16.00	24,821
2011	5.88	0.07	-13.90	11.78	1.97	2.11	25,967

Quarterly Returns: Admiral Shares

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End		
					500 Index	S&P 500 Index	Assets (Millions)
2021	6.18%	8.54%	—	—	—	—	\$410,092
2020	-19.61	20.54	8.92%	12.15%	18.37%	18.40%	359,553
2019	13.65	4.29	1.69	9.06	31.46	31.49	319,624
2018	-0.77	3.42	7.70	-13.53	-4.43	-4.38	230,375
2017	6.05	3.07	4.48	6.64	21.79	21.83	235,232
2016	1.34	2.45	3.84	3.82	11.93	11.96	181,513
2015	0.94	0.28	-6.45	7.04	1.36	1.38	152,740
2014	1.79	5.22	1.12	4.92	13.64	13.69	143,043
2013	10.60	2.90	5.23	10.50	32.33	32.39	82,357
2012	12.57	-2.75	6.34	-0.39	15.96	16.00	59,749
2011	5.90	0.10	-13.87	11.81	2.08	2.11	51,925

Quarterly Returns: Institutional Select Shares

Year-End

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	500 Index	S&P 500 Index	Assets (Millions)
2021	6.18%	8.55%	—	—	—	—	\$105,888
2020	-19.60	20.55	8.93%	12.15%	18.40%	18.40%	94,870
2019	13.65	4.30	1.70	9.07	31.49	31.49	81,230
2018	-0.76	3.43	7.70	-13.52	-4.40	-4.38	56,531
2017	6.06	3.09	4.49	6.64	21.83	21.83	44,907
2016 ¹	—	3.05	3.85	3.83	11.12	11.11	17,753

¹ Since inception of the share class, 6/24/2016.

Fund Facts

	Investor Shares	Admiral Shares	Institutional Select Shares
Fund Number	0040	0540	1940
Ticker	VFINX	VFIAX	VFFSX
Newspaper Listing	500	500Adml	Van500IxInstSel
CUSIP Number	922908108	922908710	922908348
Assets (millions) (Total \$753,526)	\$4,774	\$410,092	\$105,888
Inception	8/31/1976	11/13/2000	6/24/2016
Expense Ratio (as of 4/2021)	0.14%	0.04%	0.01%

Equity Characteristics

	500 Index	S&P 500 Index
Number of stocks	507	505
Median market cap	\$187.6 Billion	\$187.6 Billion
Average market cap	\$543.1 Billion	\$542.8 Billion
Price/earnings ratio	26.9x	26.9x
Price/book ratio	4.4x	4.4x
Return on equity	20.7%	20.7%
Earnings growth rate	19.3%	19.3%
Equity yield (dividend)	1.3%	1.3%
Foreign holdings	0.0%	0.0%
Short-term reserves	0.0%	—
Turnover rate (fiscal year end)	4.0%	—

Volatility Measures

	R-Squared	Beta
S&P 500 Index	1.00	1.00
DJ US Total Stock Mkt Float Adj Idx	0.99	0.95

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.

Top 10 Largest Holdings

	% of Total Net Assets
Apple Inc.	5.9%
Microsoft Corp.	5.6
Amazon.com Inc.	4.0
Alphabet Inc.	4.0
Facebook Inc.	2.3
Berkshire Hathaway Inc.	1.4
Tesla Inc.	1.4
NVIDIA Corp.	1.4
JPMorgan Chase & Co.	1.3
Johnson & Johnson	1.2
Total	28.5%

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

Sector Diversification (% of Stocks)

	500 Index	S&P 500 Index	Overweight/ Underweight
Communication Services	11.1%	11.1%	0.0
Consumer Discretionary	12.3	12.3	0.0
Consumer Staples	5.9	5.9	0.0
Energy	2.8	2.9	-0.1
Financials	11.3	11.3	0.0
Health Care	13.0	13.0	0.0
Industrials	8.6	8.5	0.1
Information Technology	27.4	27.4	0.0
Materials	2.6	2.6	0.0
Other	0.0	0.0	0.0
Real Estate	2.6	2.6	0.0
Utilities	2.4	2.4	0.0
Total	100.0%	100.0%	

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.

Important information

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Vanguard ETF Shares are not redeemable with the issuing Fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

All investing is subject to risk, including the possible loss of the money you invest.

Investments in bond funds and ETFs are subject to interest rate, credit, and inflation risk.

Factor funds are subject to investment style risk, which is the chance that returns from the types of stocks in which the fund invests will trail returns from the stock market. Factor funds are subject to 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.

Vanguard Commodity Strategy Fund could lose all, or substantially all, of its investments in instruments linked to the returns of commodity futures or other commodity investments. Commodity futures trading is volatile, and even a small movement in market prices could cause large losses.

Investments in derivatives may involve risks different from, and possibly greater than, those of investments in the underlying securities or assets.

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