

# Vanguard® 500 Index Fund

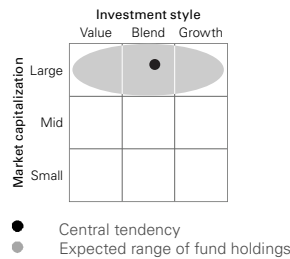
## Product Summary

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

Even with vaccine rollouts proceeding slower in some regions than many had hoped and with new coronavirus variants spreading, a more upbeat outlook for global growth helped many stock markets finish the first quarter of 2021 higher. The markets were also supported by more fiscal stimulus—including the \$1.9 trillion American Rescue Plan in the United States and the €673 billion Recovery and Resilience Facility in Europe—and pledges by a number of central banks to keep rates low for some time. By region, U.S. stocks outperformed other developed markets as a whole as well as emerging markets.

The S&P 500 Index returned 6.17% for the quarter ended March 31.

Financials (+16.0%), industrials (+11.3%), and communication services (+8.1%) were the top contributors.

The contributor with the smallest impact was consumer staples (+1.1%).

For the 12-month period ended March 31, 2021, the index returned 56.35%. Information technology (+67.6%), consumer discretionary (+70.7%), and communication services (+60.8%) were the top contributors. Utilities (+19.3%) added the least to results.

## 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<br>Ratio | Quarter | Year<br>to Date | 1 Year | 3 Years | 5 Years | 10 Years | Since<br>Inception |
|---|------------------|---------|-----------------|--------|---------|---------|----------|--------------------|
| 500 Index Fund                          |                  |         |                 |        |         |         |          |                    |
| Investor Shares (8/31/1976)             | 0.14%            | 6.15%   | 6.15%           | 56.19% | 16.63%  | 16.14%  | 13.75%   | —                  |
| Admiral Shares (11/13/2000)             | 0.04             | 6.18    | 6.18            | 56.33  | 16.75   | 16.26   | 13.88    | —                  |
| Institutional Select Shares (6/24/2016) | 0.01             | 6.18    | 6.18            | 56.38  | 16.78   | —       | —        | 17.30%             |
| S&P 500 Index                           | —                | 6.17    | 6.17            | 56.35  | 16.78   | 16.29   | 13.91    | —                  |

**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).**

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%       | —           | —           | —           | —         | —             | \$4,534           |
| 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%       | —           | —           | —           | —         | —             | \$378,941         |
| 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%       | —           | —           | —           | —         | —             | \$101,491         |
| 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 <sup>1</sup> | —           | 3.05        | 3.85        | 3.83        | 11.12     | 11.11         | 17,753            |

<sup>1</sup> 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 \$690,542) | \$4,534         | \$378,941      | \$101,491                   |
| Inception                           | 8/31/1976       | 11/13/2000     | 6/24/2016                   |
| Expense Ratio (as of 4/2020)        | 0.14%           | 0.04%          | 0.01%                       |

## Equity Characteristics

|                                 | 500 Index       | S&P 500 Index   |
|---------------------------------|-----------------|-----------------|
| Number of stocks                | 509             | 505             |
| Median market cap               | \$161.9 Billion | \$161.9 Billion |
| Average market cap              | \$465.4 Billion | \$465.0 Billion |
| Price/earnings ratio            | 29.5x           | 29.5x           |
| Price/book ratio                | 4.2x            | 4.2x            |
| Return on equity                | 20.2%           | 20.2%           |
| Earnings growth rate            | 18.7%           | 18.8%           |
| Equity yield (dividend)         | 1.5%            | 1.4%            |
| 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.              | 5.7%                  |
| Microsoft Corp.         | 5.3                   |
| Amazon.com Inc.         | 3.9                   |
| Alphabet Inc.           | 3.6                   |
| Facebook Inc.           | 2.1                   |
| Tesla Inc.              | 1.5                   |
| Berkshire Hathaway Inc. | 1.4                   |
| JPMorgan Chase & Co.    | 1.4                   |
| Johnson & Johnson       | 1.3                   |
| Visa Inc.               | 1.1                   |
| <b>Total</b>            | <b>27.3%</b>          |

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

**Sector Diversification (% of Stocks)**

|                        | 500<br>Index  | S&P 500<br>Index | Overweight/<br>Underweight |
|------------------------|---------------|------------------|----------------------------|
| Communication Services | 10.9%         | 10.9%            | 0.0                        |
| Consumer Discretionary | 12.5          | 12.4             | 0.1                        |
| Consumer Staples       | 6.1           | 6.1              | 0.0                        |
| Energy                 | 2.8           | 2.8              | 0.0                        |
| Financials             | 11.3          | 11.3             | 0.0                        |
| Health Care            | 13.0          | 13.0             | 0.0                        |
| Industrials            | 8.9           | 8.9              | 0.0                        |
| Information Technology | 26.7          | 26.7             | 0.0                        |
| Materials              | 2.7           | 2.7              | 0.0                        |
| Other                  | 0.0           | 0.0              | 0.0                        |
| Real Estate            | 2.5           | 2.5              | 0.0                        |
| Utilities              | 2.6           | 2.7              | -0.1                       |
| <b>Total</b>           | <b>100.0%</b> | <b>100.0%</b>    |                            |

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

*For more information about Vanguard funds or Vanguard ETFs, visit [vanguard.com](http://vanguard.com) or call 800-523-1036 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.*

*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.

London Stock Exchange Group companies includes FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc ("FTSE TMX"). All rights reserved. "FTSE", "Russell", "MTS", "FTSE TMX" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trade marks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under licence. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of their licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index or the fitness or suitability of the index for any particular purpose to which it might be put.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. For any such funds or securities, the prospectus or the Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with The Vanguard Group and any related funds.

The index is a product of S&P Dow Jones Indices LLC ("SPDJ"), and has been licensed for use by Vanguard. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJ and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the index.

The Russell Indexes and Russell® are registered trademarks of Russell Investments and have been licensed for use by The Vanguard Group. The products are not sponsored, endorsed, sold or promoted by Russell Investments and Russell Investments makes no representation regarding the advisability of investing in the products.

CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

"Dividend Achievers" is a trademark of The NASDAQ OMX Group, Inc. (collectively, with its affiliates, "NASDAQ OMX") and has been licensed for use by The Vanguard Group, Inc. Vanguard mutual funds are not sponsored, endorsed, sold, or promoted by NASDAQ OMX and NASDAQ OMX makes no representation regarding the advisability of investing in the funds. NASDAQ OMX MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE VANGUARD MUTUAL FUNDS.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS® is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg"), or Bloomberg's licensors own all proprietary rights in the Bloomberg Barclays Indices.

The products are not sponsored, endorsed, issued, sold or promoted by "Bloomberg or Barclays". Bloomberg and Barclays make no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Barclays Indices to track general bond market performance. Neither Bloomberg nor Barclays has passed on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Barclays Indices which are determined, composed and calculated by BISL without regard to Vanguard or the products or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products or the owners of the products into consideration in determining, composing or calculating the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Neither Bloomberg nor Barclays has any obligation or liability in connection with the administration, marketing or trading of the products.

Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") are not affiliated with Vanguard and do not approve, endorse, review, or recommend Vanguard Commodity Strategy Fund. BLOOMBERG and the Bloomberg Commodity Index are trademarks or service marks of Bloomberg and have been licensed to Vanguard. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Bloomberg Commodity Index.

*The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Vanguard. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.*

CGS identifiers have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services, LLC, and are not for use or dissemination in a manner that would serve as a substitute for any CUSIP service. The CUSIP Database, © 2021 American Bankers Association. "CUSIP" is a registered trademark of the American Bankers Association.

U.S. government backing of Treasury or agency securities applies only to the underlying securities and does not prevent share-price fluctuations. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest.

Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

Center for Research in Security Prices, LLC (CRSP®) and its third-party suppliers have exclusive proprietary rights in the CRSP® Index Data, which has been licensed for use by Vanguard but is and shall remain valuable intellectual property owned by, and/or licensed to, CRSP®. The Vanguard Funds are not sponsored, endorsed, sold or promoted by CRSP®, The University of Chicago, or The University of Chicago Booth School of Business and neither CRSP®, The University of Chicago, or The University of Chicago Booth School of Business, make any representation regarding the advisability of investing in the Vanguard Funds.