



Vanguard®



Semiannual Report | June 30, 2017

Vanguard U.S. Stock Index Funds Large-Capitalization Portfolios

Vanguard Growth Index Fund

Vanguard Value Index Fund

Vanguard Large-Cap Index Fund

A new format, unwavering commitment

As you begin reading this report, you'll notice that we've made some improvements to the opening sections—based on feedback from you, our clients.

Page 1 starts with a new "Your Fund's Performance at a Glance," a concise, handy summary of how your fund performed during the period.

In the renamed "Chairman's Perspective," Bill McNabb will focus on enduring principles and investment insights.

We've modified some tables, and eliminated some redundancy, but we haven't removed any information.

At Vanguard, we're always looking for better ways to communicate and to help you make sound investment decisions. Thank you for entrusting your assets to us.

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Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus.

See the Glossary for definitions of investment terms used in this report.

About the cover: No matter what language you speak, Vanguard has one consistent message and set of principles. Our primary *focus* is on you, our clients. We conduct our business with *integrity* as a faithful *steward* of your assets. This message is shown translated into seven languages, reflecting our expanding global presence.

Your Fund’s Performance at a Glance

- Returns for the six months ended June 30, 2017, ranged from about 5% for Vanguard Value Index Fund to nearly 15% for Vanguard Growth Index Fund. Vanguard Large-Cap Index Fund, which contains both growth and value stocks, returned more than 9%.
- All three funds closely tracked their target indexes. The Large-Cap Index Fund surpassed the average return of its peers, while the Growth Index and Value Index Funds trailed their peer-group averages.
- Large-capitalization stocks outperformed their mid- and small-cap counterparts, and growth stocks outpaced value.
- Technology stocks were the top contributors for the Large-Cap Index and Growth Index Funds. Health care stocks added the most to the Value Index Fund. Oil & gas and telecommunications were the worst-performing sectors for all three funds.

Total Returns: Six Months Ended June 30, 2017

	Total Returns
Vanguard Growth Index Fund	
Investor Shares	14.67%
ETF Shares	
Market Price	14.71
Net Asset Value	14.76
Admiral™ Shares	14.75
Institutional Shares	14.75
CRSP US Large Cap Growth Index	14.79
Large-Cap Growth Funds Average	15.22

Large-Cap Growth Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

Vanguard Value Index Fund	
Investor Shares	5.07%
ETF Shares	
Market Price	5.13
Net Asset Value	5.15
Admiral Shares	5.14
Institutional Shares	5.14
CRSP US Large Cap Value Index	5.17
Large-Cap Value Funds Average	5.62

Large-Cap Value Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

Total Returns: Six Months Ended June 30, 2017

	Total Returns
Vanguard Large-Cap Index Fund	
Investor Shares	9.49%
ETF Shares	
Market Price	9.49
Net Asset Value	9.55
Admiral Shares	9.56
Institutional Shares	9.56
CRSP US Large Cap Index	9.58
Large-Cap Core Funds Average	8.64

Large-Cap Core Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

Admiral Shares carry lower expenses and are available to investors who meet certain account-balance requirements. Institutional Shares are available to certain institutional investors who meet specific administrative, service, and account-size criteria. The Vanguard ETF® Shares shown are traded on the NYSE Arca exchange and are available only through brokers. The table provides ETF returns based on both the NYSE Arca market price and the net asset value for a share. U.S. Pat. Nos. 6,879,964; 7,337,138; 7,720,749; 7,925,573; 8,090,646; and 8,417,623.

For the ETF Shares, the market price is determined by the midpoint of the bid-offer spread as of the closing time of the New York Stock Exchange (generally 4 p.m., Eastern time). The net asset value is also determined as of the NYSE closing time. For more information about how the ETF Shares' market prices have compared with their net asset value, visit vanguard.com, select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

Expense Ratios

Your Fund Compared With Its Peer Group

	Investor Shares	ETF Shares	Admiral Shares	Institutional Shares	Peer Group Average
Growth Index Fund	0.18%	0.06%	0.06%	0.05%	1.14%
Value Index Fund	0.18	0.06	0.06	0.05	1.09
Large-Cap Index Fund	0.18	0.06	0.06	0.05	1.07

The fund expense ratios shown are from the prospectus dated April 27, 2017, and represent estimated costs for the current fiscal year. For the six months ended June 30, 2017, the funds' annualized expense ratios were: for the Growth Index Fund, 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares; for the Value Index Fund, 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares; and for the Large-Cap Index Fund, 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares. The peer-group expense ratios are derived from data provided by Lipper, a Thomson Reuters Company, and capture information through year-end 2016.

Peer groups: For the Growth Index Fund, Large-Cap Growth Funds; for the Value Index Fund, Large-Cap Value Funds; and for the Large-Cap Index Fund, Large-Cap Core Funds.

Chairman's Perspective



Bill McNabb
Chairman and Chief Executive Officer

Dear Shareholder,

More than a decade ago, the eminent investor and commentator Howard Marks published a memo to his clients titled simply "Risk." In it, Howard distilled the relationship between investors and risk. "When you boil it all down, it's the investor's job to intelligently bear risk for profit," he wrote.

It's not surprising, then, that everyone from portfolio managers to behavioral economists avidly studies how investors' reactions to risk influence not only individual investment decisions but also the broader financial markets. I'm a big fan of some of the behavioral finance work being done, which includes studies by our own investment strategists and analysts.

A lens on investor behavior

For example, Vanguard's Investment Strategy Group introduced a "risk speedometers" report in January to look at how investors are reacting to market developments. This lens on real-world behavior measures the risk investors are taking in a given period by calculating the difference between net cash flows into higher-risk assets, such as stocks, and net cash flows into lower-risk assets, such as Treasuries. The measures are then compared with long-term averages.

In the spring, the risk speedometer spiked. The spike was fueled by investors' decisions to direct more of their equity

dollars to international investments in developed and emerging markets, and their bond dollars to riskier credit categories.

A spiking speedometer seems a fitting analogy for what can happen. I consider myself a responsible driver. Still, when the highway is clear and the weather is nice, I might glance down at the speedometer and find that my right foot has gotten a little heavy.

The same phenomenon is possible with our investment portfolios. Just as our attention can drift from our speed—and the risk level on the road—we can neglect the risk level of our portfolio’s asset allocation. Experience teaches

that investors are especially prone to lose sight of risk when markets have been buoyant.

How I manage risk in my own portfolio

Rebalancing—periodically adjusting your asset allocation so it stays in line with your goals and risk tolerance—is one of the best ways I know of to help manage risk. Without rebalancing, your portfolio may end up potentially riskier than you intended and no longer aligned with your goals.

I have a ritual I perform every June and again each December, between Christmas and New Year’s, as I prepare for a series of annual meetings with the Vanguard crew. I’ll set aside some time, review my

Market Barometer

	Total Returns Periods Ended June 30, 2017		
	Six Months	One Year	Five Years (Annualized)
Stocks			
Russell 1000 Index (Large-caps)	9.27%	18.03%	14.67%
Russell 2000 Index (Small-caps)	4.99	24.60	13.70
Russell 3000 Index (Broad U.S. market)	8.93	18.51	14.58
FTSE All-World ex US Index (International)	13.95	20.53	7.68
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	2.27%	-0.31%	2.21%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	3.57	-0.49	3.26
Citigroup Three-Month U.S. Treasury Bill Index	0.30	0.46	0.13
CPI			
Consumer Price Index	1.46%	1.63%	1.31%

investment portfolio, and, if necessary, rebalance back to my target asset allocation.

My own portfolio is a mix of equity and fixed income funds, and I invest in both actively managed funds and index funds. Most years, I'll make a minor adjustment to get back to the appropriate asset allocation for my own longer-term goals and risk tolerance. It's not all that complicated, although my portfolio is a little more complex than some because I own more funds than we'd typically suggest. As chairman of Vanguard's funds, I feel I should own a significant number of them.

Consider your options

You should consider rebalancing if your target allocation is off by 5 percentage points or more. Admittedly, this is often easier said than done. When an investment has performed exceptionally well, people have a hard time trimming it. They can be led astray by that old (and none-too-helpful) investing saw: Let your winners run.

Fortunately, in recent years we've seen all sorts of investors take steps to rebalance. Many of the endowments, foundations, and traditional pension plans that Vanguard serves have good processes built into their investment guidelines to make sure rebalancing takes place on a regular basis. And among investors in defined contribution retirement plans, more and more are using target-date funds, where rebalancing happens automatically.

If you choose to rebalance on your own, use your target asset allocation as your guidepost. Don't be afraid to buy into bad news. In a sense, don't worry about the noise of the marketplace. If you work with an advisor, make sure he or she understands the importance you place on your rebalancing ritual.

And remember, the goal of rebalancing is to manage risk, not to avoid it altogether. Risk is inherent in investing—we just want to bear that risk intelligently.

In that insightful memo on risk, Howard Marks included a saying often attributed to Will Rogers: "You've got to go out on a limb sometimes because that's where the fruit is."

Tim Buckley chosen as Vanguard's next CEO

In closing, I'll note senior leadership changes that we announced in July. Our board of directors has elected Vanguard Chief Investment Officer Tim Buckley as president and director of Vanguard. Under the planned transition, Tim will succeed me as Vanguard's chief executive officer on January 1, 2018.

I'm delighted with our board's selection of Tim. We first met in 1991 when Tim was interviewing for a job at Vanguard. In the decades since, we've worked closely together, and he's always impressed me as a man of tremendous character and an outstanding leader with a passion for serving our clients. During the transition

period, I will work closely with Tim in managing the firm and overseeing its operations.

Replacing Tim as chief investment officer is Greg Davis, who had been global head of Vanguard Fixed Income Group. And succeeding Greg as our fixed income leader is John Hollyer, who most recently served as our global head of investment risk management. I know Greg and John will both do a superb job in their new roles.

As with past successions, I will remain as chairman for a period of time determined by the board. On a personal note, it has been an honor and a privilege to lead Vanguard. Having spent more than half

my life at Vanguard, I have come to know many fabulous crew members who are incredibly dedicated to Vanguard's mission. Please be assured that Tim and the rest of the team will serve you and our other clients extremely well as Vanguard prepares for its next chapter.

As always, thank you for investing with Vanguard.

Sincerely,

A handwritten signature in black ink, reading "F. William McNabb III". The signature is fluid and cursive, with a large, stylized "F" and "M".

F. William McNabb III
Chairman and Chief Executive Officer
July 14, 2017

Vanguard fund shareholders encouraged to vote in proxy campaign

This summer you will be asked to vote on the election of trustees for all U.S.-domiciled Vanguard funds. Shareholders will also be asked to vote on several fund policy proposals that we believe are in the best interests of all shareholders.

Vanguard filed a preliminary proxy statement on July 13, 2017, with the U.S. Securities and Exchange Commission (SEC). Following the SEC's review, we expect to provide the proxy materials to Vanguard fund shareholders beginning in late August 2017. That's when you can begin to vote online, by phone, or by mail.

A shareholder meeting is scheduled to be held in Scottsdale, Arizona, on November 15, 2017, when voting will conclude. We encourage you to vote promptly. Please visit vanguard.com for updates.

Growth Index Fund

Fund Profile

As of June 30, 2017

Share-Class Characteristics

	Investor Shares	ETF Shares	Admiral Shares	Institutional Shares
Ticker Symbol	VIGRX	VUG	VIGAX	VIGIX
Expense Ratio ¹	0.18%	0.06%	0.06%	0.05%
30-Day SEC Yield	1.20%	1.32%	1.32%	1.33%

Portfolio Characteristics

	Fund	CRSP US Large Cap Growth Index	DJ U.S. Total Market FA Index
Number of Stocks	321	312	3,800
Median Market Cap	\$84.4B	\$84.4B	\$59.8B
Price/Earnings Ratio	26.0x	26.0x	21.2x
Price/Book Ratio	4.9x	4.9x	2.9x
Return on Equity	25.9%	25.9%	16.3%
Earnings Growth Rate	12.3%	12.3%	10.0%
Dividend Yield	1.3%	1.3%	1.8%
Foreign Holdings	0.0%	0.0%	0.0%
Turnover Rate (Annualized)	8%	—	—
Short-Term Reserves	0.0%	—	—

Volatility Measures

	CRSP US Large Cap Growth Index	DJ U.S. Total Market FA Index
R-Squared	1.00	0.91
Beta	1.00	1.03

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

Ten Largest Holdings (% of total net assets)

Apple Inc.	Computer Hardware	6.7%
Alphabet Inc.	Internet	5.4
Amazon.com Inc.	Broadline Retailers	3.9
Facebook Inc.	Internet	3.5
Comcast Corp.	Broadcasting & Entertainment	1.8
Home Depot Inc.	Home Improvement Retailers	1.8
Philip Morris International Inc.	Tobacco	1.8
Visa Inc.	Consumer Finance	1.7
Coca-Cola Co.	Soft Drinks	1.7
Walt Disney Co.	Broadcasting & Entertainment	1.6
Top Ten		29.9%

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

Sector Diversification (% of equity exposure)

	Fund	CRSP US Large Cap Growth Index	DJ U.S. Total Market FA Index
Basic Materials	1.0%	1.0%	2.6%
Consumer Goods	11.1	11.1	9.7
Consumer Services	20.9	20.9	13.1
Financials	12.7	12.7	20.4
Health Care	14.0	13.9	13.1
Industrials	11.5	11.5	12.9
Oil & Gas	3.2	3.2	5.5
Technology	25.2	25.3	17.5
Telecommunications	0.4	0.4	2.0
Utilities	0.0	0.0	3.2

¹ The expense ratios shown are from the prospectus dated April 27, 2017, and represent estimated costs for the current fiscal year. For the six months ended June 30, 2017, the annualized expense ratios were 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares.

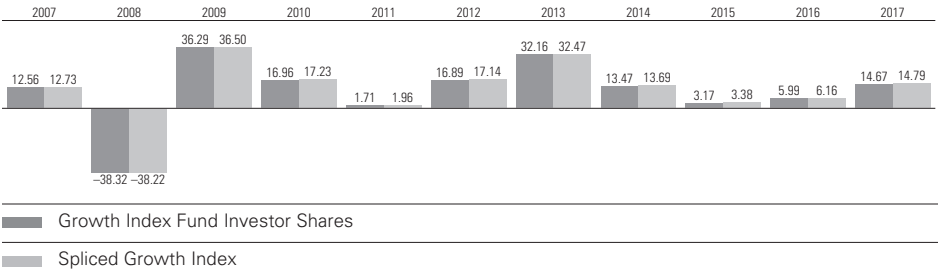
Investment Focus

Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Fiscal-Year Total Returns (%): December 31, 2006, Through June 30, 2017



For a benchmark description, see the Glossary.

Note: For 2017, performance data reflect the six months ended June 30, 2017.

Average Annual Total Returns: Periods Ended June 30, 2017

	Inception Date	One Year	Five Years	Ten Years
Investor Shares	11/2/1992	20.00%	14.70%	8.65%
ETF Shares	1/26/2004			
Market Price		20.19	14.87	8.81
Net Asset Value		20.15	14.86	8.80
Admiral Shares	11/13/2000	20.14	14.86	8.80
Institutional Shares	5/14/1998	20.14	14.87	8.82

See Financial Highlights for dividend and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets

As of June 30, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.8%)¹					
Basic Materials (1.0%)					
Praxair Inc.	1,816,571	240,787			
Ecolab Inc.	1,662,059	220,638			
International Flavors & Fragrances Inc.	503,207	67,933			
* Axalta Coating Systems Ltd.	1,385,233	44,383			
Arconic Inc.	1,401,296	31,739			
WR Grace & Co.	434,561	31,293			
		636,773			
Consumer Goods (11.1%)					
Philip Morris International Inc.	9,885,173	1,161,013			
Coca-Cola Co.	24,473,792	1,097,650			
NIKE Inc. Class B	8,410,959	496,247			
Altria Group Inc.	6,147,054	457,771			
Colgate-Palmolive Co.	5,621,811	416,745			
Reynolds American Inc.	5,449,061	354,407			
Kraft Heinz Co.	3,875,669	331,912			
Monsanto Co.	2,792,362	330,504			
*^ Tesla Inc.	783,978	283,494			
Activision Blizzard Inc.	4,556,668	262,327			
* Electronic Arts Inc.	1,863,300	196,988			
Constellation Brands Inc. Class A	981,876	190,219			
Newell Brands Inc.	3,074,193	164,838			
Estee Lauder Cos. Inc. Class A	1,424,803	136,753			
* Monster Beverage Corp.	2,710,358	134,651			
* Mohawk Industries Inc.	402,202	97,208			
Hershey Co.	872,123	93,640			
Church & Dwight Co. Inc.	1,587,594	82,364			
McCormick & Co. Inc.	721,418	70,345			
Stanley Black & Decker Inc.	486,549	68,472			
* LKQ Corp.	1,861,964	61,352			
Snap-on Inc.	368,483	58,220			
Hormel Foods Corp.	1,681,350	57,351			
Brown-Forman Corp. Class B	1,160,938	56,422			
* NVR Inc.	22,646	54,591			
Clorox Co.	409,509	54,563			
^ Hanesbrands Inc.	2,315,116	53,618			
Coty Inc. Class A	2,851,813	53,500			
* WABCO Holdings Inc.	327,672	41,781			
DR Horton Inc.	1,134,269	39,212			
* Lululemon Athletica Inc.	606,694	36,201			
Lennar Corp. Class A	676,655	36,079			
^ Polaris Industries Inc.	380,629	35,105			
*^ Under Armour Inc. Class A	1,178,624	25,647			
*^ Under Armour Inc. VF Corp.	1,197,945	24,151			
	758	44			
BorgWarner Inc.	594	25			
* Michael Kors Holdings Ltd.	432	16			
		7,115,426			
Consumer Services (20.9%)					
* Amazon.com Inc.	2,585,809	2,503,063			
Comcast Corp. Class A	30,126,893	1,172,539			
Home Depot Inc.	7,609,301	1,167,267			
Walt Disney Co.	9,461,810	1,005,317			
McDonald's Corp.	5,187,758	794,557			
* Priceline Group Inc.	312,722	584,953			
Starbucks Corp.	8,755,765	510,549			
Walgreens Boots Alliance Inc.	5,847,061	457,883			
Costco Wholesale Corp.	2,793,828	446,817			
* Charter Communications Inc. Class A	1,277,121	430,198			
Lowe's Cos. Inc.	5,456,929	423,076			
* Netflix Inc.	2,606,163	389,387			
TJX Cos. Inc.	3,897,319	281,269			
Time Warner Inc.	2,345,179	235,479			
Southwest Airlines Co.	3,462,350	215,150			
Marriott International Inc. Class A	1,808,110	181,371			
Yum! Brands Inc.	2,215,906	163,445			

Growth Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
CBS Corp. Class B	2,272,203	144,921	Financials (12.6%)		
Ross Stores Inc.	2,494,815	144,026	Visa Inc. Class A	11,750,582	1,101,970
* O'Reilly Automotive Inc.	579,223	126,699	Mastercard Inc. Class A	6,037,558	733,261
Dollar General Corp.	1,749,795	126,143	American Tower Corporation	2,705,584	358,003
Royal Caribbean Cruises Ltd.	1,095,309	119,641	Charles Schwab Corp.	7,657,782	328,978
Expedia Inc.	791,490	117,892	BlackRock Inc.	771,536	325,904
* Ulta Beauty Inc.	375,772	107,974	Simon Property Group Inc.	1,986,731	321,374
* AutoZone Inc.	180,862	103,175	Marsh & McLennan Cos. Inc.	3,272,677	255,138
MGM Resorts International	3,292,886	103,034	Intercontinental Exchange Inc.	3,768,666	248,430
* Dollar Tree Inc.	1,430,899	100,048	S&P Global Inc.	1,641,257	239,607
Twenty-First Century Fox Inc. Class A	3,347,669	94,873	Crown Castle International Corp.	2,330,419	233,461
* DISH Network Corp. Class A	1,376,320	86,378	Aon plc	1,668,430	221,818
Las Vegas Sands Corp.	1,261,695	80,610	Equinix Inc.	495,971	212,851
Carnival Corp.	1,196,525	78,456	Prologis Inc.	3,369,372	197,580
* Chipotle Mexican Grill Inc. Class A	182,603	75,981	Public Storage	940,099	196,039
* CarMax Inc.	1,179,990	74,410	Welltower Inc.	2,329,798	174,385
Alaska Air Group Inc.	785,881	70,541	AvalonBay Communities Inc.	876,807	168,496
Wynn Resorts Ltd.	521,786	69,982	Weyerhaeuser Co.	4,784,875	160,293
Wyndham Worldwide Corp.	663,420	66,614	Ventas Inc.	2,258,330	156,909
* Norwegian Cruise Line Holdings Ltd.	1,014,273	55,065	Moody's Corp.	1,035,086	125,949
Advance Auto Parts Inc.	445,901	51,988	Boston Properties Inc.	979,366	120,482
^ Sirius XM Holdings Inc.	8,920,398	48,795	Digital Realty Trust Inc.	1,017,146	114,887
Tractor Supply Co.	817,365	44,309	T. Rowe Price Group Inc.	1,459,342	108,298
FactSet Research Systems Inc.	251,045	41,719	Essex Property Trust Inc.	417,569	107,428
Hilton Worldwide Holdings Inc.	672,697	41,606	Equifax Inc.	765,331	105,172
L Brands Inc.	770,175	41,505	* SBA Communications Corp. Class A	772,410	104,198
Foot Locker Inc.	836,340	41,215	Vornado Realty Trust	1,084,938	101,876
Scripps Networks Interactive Inc. Class A	548,784	37,487	First Republic Bank	1,000,428	100,143
Twenty-First Century Fox Inc.	1,270,367	35,405	* IHS Markit Ltd.	2,202,043	96,978
Tiffany & Co.	376,677	35,359	Realty Income Corp.	1,738,730	95,943
Domino's Pizza Inc.	152,766	32,315	* Markel Corp.	84,389	82,352
* TripAdvisor Inc.	694,990	26,549	Mid-America Apartment Communities Inc.	723,421	76,234
* Hyatt Hotels Corp. Class A	211,289	11,877	TD Ameritrade Holding Corp.	1,682,240	72,319
Signet Jewelers Ltd.	108,616	6,869	Alexandria Real Estate Equities Inc.	580,236	69,901
CBS Corp. Class A	2,760	179	SL Green Realty Corp.	647,104	68,464
Nielsen Holdings plc	990	38	* E*TRADE Financial Corp.	1,748,350	66,490
* Discovery Communications Inc.	612	15	* CBRE Group Inc. Class A	1,825,817	66,460
* Discovery Communications Inc. Class A	432	11	UDR Inc.	1,700,020	66,250
			Arthur J Gallagher & Co.	1,141,242	65,336
			Extra Space Storage Inc.	760,803	59,343
			MSCI Inc. Class A	575,323	59,252
		13,406,024			

Growth Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Federal Realty Investment Trust	459,287	58,049	* BioMarin Pharmaceutical Inc.	1,111,068	100,907
Regency Centers Corp.	919,030	57,568	* Laboratory Corp. of America Holdings	650,702	100,299
Iron Mountain Inc.	1,595,193	54,811	Dentsply Sirona Inc.	1,457,918	94,531
VEREIT Inc.	6,194,099	50,420	Baxter International Inc.	1,556,800	94,249
SEI Investments Co.	908,609	48,865	* Henry Schein Inc.	505,313	92,482
Comerica Inc.	562,408	41,191	* IDEXX Laboratories Inc.	561,264	90,599
Jones Lang LaSalle Inc.	288,035	36,004	* Waters Corp.	484,036	88,985
Brixmor Property Group Inc.	1,940,864	34,703	* Centene Corp.	1,042,359	83,264
Raymond James Financial Inc.	413,149	33,143	* Quintiles IMS Holdings Inc.	911,046	81,539
Affiliated Managers Group Inc.	180,297	29,904	Cooper Cos. Inc.	311,765	74,643
* Liberty Broadband Corp.	340,931	29,576	ResMed Inc.	901,596	70,207
* SVB Financial Group	167,208	29,393	* DaVita Inc.	989,796	64,099
Camden Property Trust	278,214	23,790	* Varian Medical Systems Inc.	584,400	60,304
Invitation Homes Inc.	491,369	10,628	* Alkermes plc	974,004	56,463
* Liberty Broadband Corp. Class A	78,875	6,767	* Jazz Pharmaceuticals plc	362,601	56,385
HCP Inc.	1,296	41	Universal Health Services Inc. Class B	284,775	34,765
GGP Inc.	1,728	41	* Align Technology Inc.	229,775	34,494
Kimco Realty Corp.	1,116	20	* Envision Healthcare Corp.	374,424	23,465
		8,113,166	* TESARO Inc.	119,525	16,717
Health Care (13.9%)			* Seattle Genetics Inc.	295,510	15,290
Medtronic plc	8,712,703	773,252	* Mallinckrodt plc	314,700	14,102
AbbVie Inc.	10,130,157	734,538			8,942,400
* Celgene Corp.	4,969,687	645,413	Industrials (11.5%)		
Gilead Sciences Inc.	8,316,793	588,663	3M Co.	3,801,321	791,397
Bristol-Myers Squibb Co.	10,484,188	584,179	Union Pacific Corp.	5,139,051	559,694
Allergan plc	2,137,703	519,654	Accenture plc Class A	3,947,135	488,182
Thermo Fisher Scientific Inc.	2,490,241	434,472	United Parcel Service Inc. Class B	4,384,397	484,870
Amgen Inc.	2,340,361	403,080	* PayPal Holdings Inc.	7,263,604	389,838
* Biogen Inc.	1,350,221	366,396	Boeing Co.	1,824,412	360,777
Becton Dickinson and Co.	1,438,916	280,747	Automatic Data Processing Inc.	2,705,173	277,172
Stryker Corp.	1,903,222	264,129	Sherwin-Williams Co.	533,309	187,170
* Regeneron Pharmaceuticals Inc.	498,260	244,716	Fidelity National Information Services Inc.	2,103,510	179,640
* Boston Scientific Corp.	8,716,533	241,622	Danaher Corp.	1,987,242	167,703
* Intuitive Surgical Inc.	234,518	219,361	FedEx Corp.	765,620	166,392
* Vertex Pharmaceuticals Inc.	1,585,768	204,358	* Fiserv Inc.	1,351,507	165,343
Zoetis Inc.	3,122,622	194,789	Roper Technologies Inc.	649,313	150,335
* Alexion Pharmaceuticals Inc.	1,357,613	165,181	Amphenol Corp. Class A	1,945,016	143,581
* Illumina Inc.	929,160	161,228	Rockwell Automation Inc.	820,016	132,810
* Edwards Lifesciences Corp.	1,335,138	157,867	Illinois Tool Works Inc.	879,597	126,002
CR Bard Inc.	460,839	145,676	Fortive Corp.	1,985,690	125,793
* Incyte Corp.	1,107,793	139,482	Agilent Technologies Inc.	2,051,636	121,683
* Mylan NV	3,240,790	125,808	Paychex Inc.	2,058,121	117,189
			Waste Connections Inc.	1,678,476	108,127

Growth Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Vulcan Materials Co.	841,400	106,589	Anadarko Petroleum Corp.	3,565,558	161,662
* Mettler-Toledo International Inc.	164,436	96,777	* Concho Resources Inc.	944,886	114,832
Martin Marietta Materials Inc.	399,769	88,981	Halliburton Co.	2,624,428	112,089
AMETEK Inc.	1,465,396	88,759	Williams Cos. Inc.	2,628,627	79,595
Global Payments Inc.	971,165	87,716	Noble Energy Inc.	2,788,549	78,916
Alliance Data Systems Corp.	336,810	86,456	Cabot Oil & Gas Corp.	2,965,715	74,380
* FleetCor Technologies Inc.	587,680	84,749	EQT Corp.	1,101,827	64,556
* Verisk Analytics Inc. Class A	1,000,436	84,407	* Cheniere Energy Inc.	1,285,462	62,615
Fastenal Co.	1,842,658	80,211	Cimarex Energy Co.	604,712	56,849
TransDigm Group Inc.	298,215	80,181	Range Resources Corp.	1,574,572	36,483
Masco Corp.	2,034,326	77,732	Targa Resources Corp.	683,829	30,909
Textron Inc.	1,532,768	72,193	* Antero Resources Corp.	1,405,007	30,362
Kansas City Southern	674,552	70,592	* Continental Resources Inc.	598,762	19,358
Cintas Corp.	535,645	67,513	^ Core Laboratories NV	141,442	14,324
* Vantiv Inc. Class A	1,030,185	65,252	* Energen Corp.	153,649	7,586
Expeditors International of Washington Inc.	1,145,390	64,692			2,032,022
Fortune Brands Home & Security Inc.	978,058	63,809	Technology (25.2%)		
CH Robinson Worldwide Inc.	896,085	61,543	Apple Inc.	29,865,475	4,301,226
Total System Services Inc.	1,053,020	61,338	* Facebook Inc. Class A	15,050,914	2,272,387
* Trimble Inc.	1,607,740	57,348	* Alphabet Inc. Class A	1,894,278	1,761,072
Acuity Brands Inc.	280,386	56,997	* Alphabet Inc. Class C	1,877,057	1,705,738
JB Hunt Transport Services Inc.	559,354	51,114	Broadcom Ltd.	2,554,174	595,250
Wabtec Corp.	549,148	50,247	NVIDIA Corp.	3,597,619	520,072
* Sensata Technologies Holding NV	1,087,908	46,475	Oracle Corp.	9,820,601	492,405
* First Data Corp. Class A	2,383,133	43,373	Texas Instruments Inc.	6,341,752	487,871
* Stericycle Inc.	542,154	41,377	* Adobe Systems Inc.	3,148,572	445,334
Hubbell Inc. Class B	350,392	39,654	* salesforce.com Inc.	4,306,556	372,948
Macquarie Infrastructure Corp.	497,839	39,031	Applied Materials Inc.	6,871,879	283,877
Robert Half International Inc.	768,203	36,820	Cognizant Technology Solutions Corp.		
* United Rentals Inc.	268,692	30,284	Class A	3,749,205	248,947
WW Grainger Inc.	158,159	28,552	Intuit Inc.	1,549,700	205,816
Sealed Air Corp.	623,740	27,919	* Micron Technology Inc.	6,691,191	199,799
Huntington Ingalls Industries Inc.	146,394	27,253	Analog Devices Inc.	2,322,928	180,724
Owens Corning	356,787	23,876	Lam Research Corp.	1,026,505	145,179
FLIR Systems Inc.	434,504	15,060	* Autodesk Inc.	1,332,142	134,307
		7,348,568	* Cerner Corp.	1,892,816	125,815
Oil & Gas (3.2%)			* ServiceNow Inc.	1,081,368	114,625
Schlumberger Ltd.	8,843,462	582,254	* Skyworks Solutions Inc.	1,174,704	112,713
EOG Resources Inc.	3,673,587	332,533	* Red Hat Inc.	1,131,850	108,375
Pioneer Natural Resources Co.	1,082,337	172,719	Microchip Technology Inc.	1,377,885	106,345
			Xilinx Inc.	1,579,331	101,583
			KLA-Tencor Corp.	998,253	91,350
			Harris Corp.	776,202	84,668
			* Workday Inc. Class A	835,044	80,999
			Maxim Integrated Products Inc.	1,799,548	80,800
			* Palo Alto Networks Inc.	557,002	74,532
			* Citrix Systems Inc.	912,983	72,655
			* Gartner Inc.	546,283	67,471
			* Twitter Inc.	3,716,999	66,423

Growth Index Fund

	Shares	Market Value* (\$000)
* ANSYS Inc.	543,615	66,147
CDK Global Inc.	923,063	57,285
* F5 Networks Inc.	411,420	52,275
* Akamai Technologies Inc.	1,044,068	52,005
* Qorvo Inc.	808,088	51,168
*^ VeriSign Inc.	549,598	51,091
* Splunk Inc.	879,488	50,034
LogMeIn Inc.	334,425	34,947
Juniper Networks Inc.	1,214,677	33,865
*^ VMware Inc. Class A	344,935	30,158
*^ Snap Inc.	1,519,743	27,006
* Arista Networks Inc.	149,072	22,329
* Premier Inc. Class A	327,886	11,804
QUALCOMM Inc.	4,104	227
		16,181,647
Telecommunications (0.4%)		
* T-Mobile US Inc.	1,851,121	112,215
* Level 3 Communications Inc.	1,840,530	109,144
* Zayo Group Holdings Inc.	1,016,388	31,406
		252,765
Total Common Stocks (Cost \$40,208,576)		64,028,791
Temporary Cash Investments (0.6%)¹		
Money Market Fund (0.6%)		
^{2,3} Vanguard Market Liquidity Fund, 1.181%	3,585,757	358,647
		Face Amount (\$000)
U.S. Government and Agency Obligations (0.0%)		
⁴ United States Treasury Bill, 0.982%, 9/7/17	1,900	1,897
⁴ United States Treasury Bill, 0.980%, 10/5/17	3,000	2,992
⁴ United States Treasury Bill, 1.056%, 11/24/17	1,000	996
		5,885
Total Temporary Cash Investments (Cost \$364,495)		364,532
Total Investments (100.4%) (Cost \$40,573,071)		64,393,323

	Amount (\$000)
Other Assets and Liabilities (-0.4%)	
Other Assets	
Investment in Vanguard	4,244
Receivables for Investment Securities Sold	3,141
Receivables for Accrued Income	50,451
Receivables for Capital Shares Issued	34,530
Other Assets	49
Total Other Assets	92,415
Liabilities	
Payables for Investment Securities Purchased	(15,653)
Collateral for Securities on Loan	(228,699)
Payables for Capital Shares Redeemed	(47,819)
Payables to Vanguard	(30,451)
Other Liabilities	(626)
Total Liabilities	(323,248)
Net Assets (100%)	64,162,490

At June 30, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	41,709,330
Overdistributed Net Investment Income	(10,091)
Accumulated Net Realized Losses	(1,356,432)
Unrealized Appreciation (Depreciation)	
Investment Securities	23,820,252
Futures Contracts	(569)
Net Assets	64,162,490

Investor Shares—Net Assets

Applicable to 50,474,186 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,300,596
Net Asset Value Per Share—Investor Shares	\$65.39

ETF Shares—Net Assets

Applicable to 212,883,739 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	27,039,484
Net Asset Value Per Share—ETF Shares	\$127.02

Growth Index Fund

	Amount (\$000)
Admiral Shares—Net Assets	
<hr/>	
Applicable to 341,754,955 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	22,344,180
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Net Asset Value Per Share— Admiral Shares	\$65.38
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Institutional Shares—Net Assets	
<hr/>	
Applicable to 175,550,427 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	11,478,230
<hr/>	
Net Asset Value Per Share— Institutional Shares	\$65.38
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• See Note A in Notes to Financial Statements.

* Non-income-producing security.

[^] Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$220,134,000.

1 The fund invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the fund's effective common stock and temporary cash investment positions represent 100.0% and 0.4%, respectively, of net assets.

2 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

3 Includes \$228,699,000 of collateral received for securities on loan.

4 Securities with a value of \$4,937,000 have been segregated as initial margin for open futures contracts.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

Six Months Ended
June 30, 2017

(\$000)

Investment Income	
Income	
Dividends	388,600
Interest ¹	615
Securities Lending—Net	1,901
Total Income	391,116
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,984
Management and Administrative—Investor Shares	2,323
Management and Administrative—ETF Shares	5,330
Management and Administrative—Admiral Shares	4,160
Management and Administrative—Institutional Shares	2,026
Marketing and Distribution—Investor Shares	251
Marketing and Distribution—ETF Shares	578
Marketing and Distribution—Admiral Shares	838
Marketing and Distribution—Institutional Shares	116
Custodian Fees	226
Shareholders' Reports—Investor Shares	144
Shareholders' Reports—ETF Shares	713
Shareholders' Reports—Admiral Shares	267
Shareholders' Reports—Institutional Shares	35
Trustees' Fees and Expenses	19
Total Expenses	19,010
Net Investment Income	372,106
Realized Net Gain (Loss)	
Investment Securities Sold ¹	1,730,820
Futures Contracts	6,463
Realized Net Gain (Loss)	1,737,283
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	5,945,566
Futures Contracts	691
Change in Unrealized Appreciation (Depreciation)	5,946,257
Net Increase (Decrease) in Net Assets Resulting from Operations	8,055,646

1 Interest income and realized net gain (loss) from an affiliated company of the fund were \$593,000 and \$7,000, respectively.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2017	Year Ended December 31, 2016
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	372,106	723,999
Realized Net Gain (Loss)	1,737,283	1,085,171
Change in Unrealized Appreciation (Depreciation)	5,946,257	1,226,950
Net Increase (Decrease) in Net Assets Resulting from Operations	8,055,646	3,036,120
Distributions		
Net Investment Income		
Investor Shares	(16,839)	(38,216)
ETF Shares	(152,944)	(308,113)
Admiral Shares	(125,227)	(251,588)
Institutional Shares	(64,985)	(135,867)
Realized Capital Gain		
Investor Shares	—	—
ETF Shares	—	—
Admiral Shares	—	—
Institutional Shares	—	—
Total Distributions	(359,995)	(733,784)
Capital Share Transactions		
Investor Shares	(47,913)	(232,244)
ETF Shares	757,885	1,406,111
Admiral Shares	1,056,826	1,031,953
Institutional Shares	371,606	(80,462)
Net Increase (Decrease) from Capital Share Transactions	2,138,404	2,125,358
Total Increase (Decrease)	9,834,055	4,427,694
Net Assets		
Beginning of Period	54,328,435	49,900,741
End of Period ¹	64,162,490	54,328,435

¹ Net Assets—End of Period includes undistributed (overdistributed) net investment income of (\$10,091,000) and (\$22,202,000).

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$57.32	\$54.78	\$53.71	\$47.87	\$36.65	\$31.79
Investment Operations						
Net Investment Income	.346	.720	.652	.579	.508	.509
Net Realized and Unrealized Gain (Loss) on Investments	8.057	2.548	1.054	5.837	11.219	4.853
Total from Investment Operations	8.403	3.268	1.706	6.416	11.727	5.362
Distributions						
Dividends from Net Investment Income	(.333)	(.728)	(.636)	(.576)	(.507)	(.502)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.333)	(.728)	(.636)	(.576)	(.507)	(.502)
Net Asset Value, End of Period	\$65.39	\$57.32	\$54.78	\$53.71	\$47.87	\$36.65
Total Return¹	14.67%	5.99%	3.17%	13.47%	32.16%	16.89%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,301	\$2,938	\$3,038	\$3,270	\$3,630	\$3,105
Ratio of Total Expenses to Average Net Assets	0.18%	0.18%	0.22%	0.23%	0.24%	0.24%
Ratio of Net Investment Income to Average Net Assets	1.17%	1.31%	1.20%	1.17%	1.22%	1.45%
Portfolio Turnover Rate ²	8%	11%	9%	9%	32%	21%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

² Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$111.33	\$106.40	\$104.33	\$92.99	\$71.19	\$61.76
Investment Operations						
Net Investment Income	.747	1.528	1.420	1.268	1.112	1.087
Net Realized and Unrealized Gain (Loss) on Investments	15.663	4.949	2.038	11.332	21.798	9.416
Total from Investment Operations	16.410	6.477	3.458	12.600	22.910	10.503
Distributions						
Dividends from Net Investment Income	(.720)	(1.547)	(1.388)	(1.260)	(1.110)	(1.073)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.720)	(1.547)	(1.388)	(1.260)	(1.110)	(1.073)
Net Asset Value, End of Period	\$127.02	\$111.33	\$106.40	\$104.33	\$92.99	\$71.19
Total Return	14.76%	6.13%	3.32%	13.62%	32.38%	17.03%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$27,039	\$23,040	\$20,706	\$17,340	\$13,265	\$8,467
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.08%	0.09%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.29%	1.43%	1.34%	1.31%	1.37%	1.59%
Portfolio Turnover Rate ¹	8%	11%	9%	9%	32%	21%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$57.31	\$54.77	\$53.71	\$47.87	\$36.64	\$31.79
Investment Operations						
Net Investment Income	.385	.786	.731	.653	.572	.560
Net Realized and Unrealized Gain (Loss) on Investments	8.057	2.550	1.044	5.836	11.229	4.842
Total from Investment Operations	8.442	3.336	1.775	6.489	11.801	5.402
Distributions						
Dividends from Net Investment Income	(.372)	(.796)	(.715)	(.649)	(.571)	(.552)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.372)	(.796)	(.715)	(.649)	(.571)	(.552)
Net Asset Value, End of Period	\$65.38	\$57.31	\$54.77	\$53.71	\$47.87	\$36.64
Total Return¹	14.75%	6.12%	3.30%	13.63%	32.40%	17.01%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$22,344	\$18,617	\$16,777	\$14,907	\$7,903	\$5,774
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.08%	0.09%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.29%	1.43%	1.34%	1.31%	1.37%	1.59%
Portfolio Turnover Rate ²	8%	11%	9%	9%	32%	21%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

² Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$57.31	\$54.77	\$53.70	\$47.87	\$36.64	\$31.79
Investment Operations						
Net Investment Income	.386	.792	.737	.657	.576	.567
Net Realized and Unrealized Gain (Loss) on Investments	8.058	2.549	1.053	5.826	11.229	4.842
Total from Investment Operations	8.444	3.341	1.790	6.483	11.805	5.409
Distributions						
Dividends from Net Investment Income	(.374)	(.801)	(.720)	(.653)	(.575)	(.559)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.374)	(.801)	(.720)	(.653)	(.575)	(.559)
Net Asset Value, End of Period	\$65.38	\$57.31	\$54.77	\$53.70	\$47.87	\$36.64
Total Return	14.75%	6.13%	3.33%	13.62%	32.41%	17.04%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$11,478	\$9,733	\$9,380	\$9,545	\$8,015	\$6,189
Ratio of Total Expenses to Average Net Assets	0.05%	0.05%	0.07%	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.30%	1.44%	1.35%	1.32%	1.38%	1.61%
Portfolio Turnover Rate ¹	8%	11%	9%	9%	32%	21%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Notes to Financial Statements

Vanguard Growth Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers four classes of shares: Investor Shares, ETF Shares, Admiral Shares, and Institutional Shares. Investor Shares are available to any investor who meets the fund's minimum purchase requirements. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker. Admiral Shares and Institutional Shares are designed for investors who meet certain administrative, service, and account-size criteria.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.
2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, enhancing returns, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The fund may seek to enhance returns by using futures contracts instead of the underlying securities when futures are believed to be priced more attractively than the underlying securities. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract.

Futures contracts are valued at their quoted daily settlement prices. The aggregate settlement values of the contracts are not recorded in the Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized futures gains (losses).

During the six months ended June 30, 2017, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of aggregate settlement values at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (December 31, 2013–2016), and for the period ended June 30, 2017, and has concluded that no provision for federal income tax is required in the fund's financial statements.
4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.
5. **Securities Lending:** To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.
6. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn amount of the facility; these fees are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.
- The fund had no borrowings outstanding at June 30, 2017, or at any time during the period then ended.
7. **Other:** Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, to interest income over the lives of the respective securities. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

Each class of shares has equal rights as to assets and earnings, except that each class separately bears certain class-specific expenses related to maintenance of shareholder accounts (included in Management and Administrative expenses) and shareholder reporting. Marketing and distribution expenses are allocated to each class of shares based on a method approved by the board of trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

B. In accordance with the terms of a Funds’ Service Agreement (the “FSA”) between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard’s cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund’s liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2017, the fund had contributed to Vanguard capital in the amount of \$4,244,000, representing 0.01% of the fund’s net assets and 1.70% of Vanguard’s capitalization. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the fund’s investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

- Level 1**—Quoted prices in active markets for identical securities.
- Level 2**—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3**—Significant unobservable inputs (including the fund’s own assumptions used to determine the fair value of investments).

The following table summarizes the market value of the fund’s investments as of June 30, 2017, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	64,028,791	—	—
Temporary Cash Investments	358,647	5,885	—
Futures Contracts—Assets ¹	49	—	—
Total	64,387,487	5,885	—

¹ Represents variation margin on the last day of the reporting period.

D. At June 30, 2017, the aggregate settlement value of open futures contracts and the related unrealized appreciation (depreciation) were:

			(\$000)	
Futures Contracts	Expiration	Number of Long (Short) Contracts	Aggregate Settlement Value	Unrealized Appreciation
			Long (Short)	(Depreciation)
E-mini S&P 500 Index	September 2017	1,089	131,818	(569)

Unrealized appreciation (depreciation) on open futures contracts is required to be treated as realized gain (loss) for tax purposes.

E. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

During the six months ended June 30, 2017, the fund realized \$1,778,263,000 of net capital gains resulting from in-kind redemptions—in which shareholders exchanged fund shares for securities held by the fund rather than for cash. Because such gains are not taxable to the fund, and are not distributed to shareholders, they have been reclassified from accumulated net realized losses to paid-in capital.

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2016, the fund had available capital losses totaling \$1,314,208,000 to offset future net capital gains. Of this amount, \$300,177,000 is subject to expiration on December 31, 2017. Capital losses of \$1,014,031,000 realized beginning in fiscal 2011 may be carried forward indefinitely under the Regulated Investment Company Modernization Act of 2010, but must be used before any expiring loss carryforwards. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2017; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

At June 30, 2017, the cost of investment securities for tax purposes was \$40,573,071,000. Net unrealized appreciation of investment securities for tax purposes was \$23,820,252,000, consisting of unrealized gains of \$24,582,098,000 on securities that had risen in value since their purchase and \$761,846,000 in unrealized losses on securities that had fallen in value since their purchase.

F. During the six months ended June 30, 2017, the fund purchased \$7,648,546,000 of investment securities and sold \$5,467,704,000 of investment securities, other than temporary cash investments. Purchases and sales include \$3,423,058,000 and \$3,023,068,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the six months ended June 30, 2017, such purchases and sales were \$531,646,000 and \$1,159,039,000, respectively; these amounts are included in the purchases and sales of investment securities noted above.

G. Capital share transactions for each class of shares were:

	Six Months Ended June 30, 2017		Year Ended December 31, 2016	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	304,118	4,862	382,462	6,951
Issued in Lieu of Cash Distributions	15,734	246	35,730	634
Redeemed	(367,765)	(5,896)	(650,436)	(11,787)
Net Increase (Decrease)—Investor Shares	(47,913)	(788)	(232,244)	(4,202)
ETF Shares				
Issued	3,663,177	29,602	4,308,390	39,724
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(2,905,292)	(23,675)	(2,902,279)	(27,375)
Net Increase (Decrease)—ETF Shares	757,885	5,927	1,406,111	12,349
Admiral Shares				
Issued	2,656,731	42,399	3,639,459	65,786
Issued in Lieu of Cash Distributions	111,360	1,743	223,747	3,972
Redeemed	(1,711,265)	(27,250)	(2,831,253)	(51,214)
Net Increase (Decrease)—Admiral Shares	1,056,826	16,892	1,031,953	18,544
Institutional Shares				
Issued	1,449,227	22,943	1,562,692	28,374
Issued in Lieu of Cash Distributions	60,888	953	126,330	2,244
Redeemed	(1,138,509)	(18,175)	(1,769,484)	(32,055)
Net Increase (Decrease)—Institutional Shares	371,606	5,721	(80,462)	(1,437)

H. Management has determined that no material events or transactions occurred subsequent to June 30, 2017, that would require recognition or disclosure in these financial statements.

Value Index Fund

Fund Profile

As of June 30, 2017

Share-Class Characteristics

	Investor Shares	ETF Shares	Admiral Shares	Institutional Shares
Ticker Symbol	VIVAX	VTV	VVIAX	VIVIX
Expense Ratio ¹	0.18%	0.06%	0.06%	0.05%
30-Day SEC Yield	2.39%	2.50%	2.50%	2.51%

Portfolio Characteristics

	Fund	CRSP US Large Cap Value Index	DJ U.S. Total Market FA Index
Number of Stocks	339	328	3,800
Median Market Cap	\$84.4B	\$84.4B	\$59.8B
Price/Earnings Ratio	18.7x	18.7x	21.2x
Price/Book Ratio	2.3x	2.3x	2.9x
Return on Equity	19.8%	19.8%	16.3%
Earnings Growth Rate	4.7%	4.7%	10.0%
Dividend Yield	2.5%	2.5%	1.8%
Foreign Holdings	0.0%	0.0%	0.0%
Turnover Rate (Annualized)	9%	—	—
Short-Term Reserves	0.0%	—	—

Sector Diversification (% of equity exposure)

	Fund	CRSP US Large Cap Value Index	DJ U.S. Total Market FA Index
Basic Materials	3.5%	3.5%	2.6%
Consumer Goods	9.1	9.1	9.7
Consumer Services	6.6	6.6	13.1
Financials	25.4	25.4	20.4
Health Care	12.9	12.9	13.1
Industrials	12.4	12.3	12.9
Oil & Gas	8.2	8.2	5.5
Technology	12.3	12.3	17.5
Telecommunications	3.8	3.8	2.0
Utilities	5.8	5.9	3.2

Volatility Measures

	CRSP US Large Cap Value Index	DJ U.S. Total Market FA Index
R-Squared	1.00	0.93
Beta	1.00	0.92

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

Ten Largest Holdings (% of total net assets)

Microsoft Corp.	Software	4.7%
Johnson & Johnson	Pharmaceuticals	3.1
Exxon Mobil Corp.	Integrated Oil & Gas	3.0
Berkshire Hathaway Inc.	Reinsurance	2.9
JPMorgan Chase & Co.	Banks	2.9
Wells Fargo & Co.	Banks	2.2
Bank of America Corp.	Banks	2.1
General Electric Co.	Diversified Industrials	2.1
AT&T Inc.	Fixed Line Telecommunications	2.0
Procter & Gamble Co.	Nondurable Household Products	2.0
Top Ten		27.0%

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

¹ The expense ratios shown are from the prospectus dated April 27, 2017, and represent estimated costs for the current fiscal year. For the six months ended June 30, 2017, the annualized expense ratios were 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares.

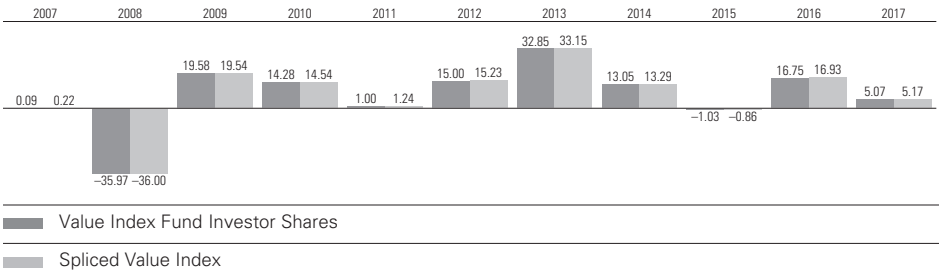
Investment Focus

Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Fiscal-Year Total Returns (%): December 31, 2006, Through June 30, 2017



For a benchmark description, see the Glossary.

Note: For 2017, performance data reflect the six months ended June 30, 2017.

Average Annual Total Returns: Periods Ended June 30, 2017

	Inception Date	One Year	Five Years	Ten Years
Investor Shares	11/2/1992	16.36%	14.22%	5.69%
ETF Shares	1/26/2004			
Market Price		16.54	14.39	5.84
Net Asset Value		16.50	14.38	5.83
Admiral Shares	11/13/2000	16.46	14.38	5.83
Institutional Shares	7/2/1998	16.51	14.40	5.85

See Financial Highlights for dividend and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets

As of June 30, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.9%)¹					
Basic Materials (3.5%)			Ford Motor Co.	19,643,960	219,816
Dow Chemical Co.	6,133,578	386,845	General Mills Inc.	2,894,404	160,350
El du Pont de Nemours & Co.	4,353,543	351,374	Archer-Daniels-Midland Co.	2,852,756	118,047
Air Products & Chemicals Inc.	1,092,839	156,342	Delphi Automotive plc	1,344,587	117,853
PPG Industries Inc.	1,288,133	141,643	Tyson Foods Inc.		
LyondellBasell Industries NV Class A	1,617,246	136,479	Class A	1,446,424	90,590
International Paper Co.	2,072,350	117,316	Kellogg Co.	1,230,682	85,483
Nucor Corp.	1,601,293	92,667	Dr Pepper Snapple Group Inc.	922,540	84,053
Newmont Mining Corp.	2,676,219	86,683	Conagra Brands Inc.	2,135,661	76,371
* Freeport-McMoRan Inc.	6,535,572	78,492	Molson Coors Brewing Co. Class B	879,782	75,960
Celanese Corp. Class A	699,861	66,445	VF Corp.	1,307,307	75,301
Albemarle Corp.	555,708	58,649	Whirlpool Corp.	371,190	71,128
Eastman Chemical Co.	658,755	55,329	Coach Inc.	1,410,944	66,794
FMC Corp.	672,468	49,124	JM Smucker Co.	555,121	65,688
Mosaic Co.	1,761,669	40,219	Genuine Parts Co.	702,814	65,193
Avery Dennison Corp.	444,477	39,278	Hasbro Inc.	564,590	62,958
CF Industries Holdings Inc.	1,170,287	32,721	Stanley Black & Decker Inc.	384,097	54,054
Reliance Steel & Aluminum Co.	347,486	25,301	Bunge Ltd.	704,580	52,562
Arconic Inc.	1,106,534	25,063	Campbell Soup Co.	993,031	51,787
* Alcoa Corp.	466,154	15,220	Lear Corp.	345,610	49,104
Westlake Chemical Corp.	194,355	12,868	Harley-Davidson Inc.	878,588	47,461
Ashland Global Holdings Inc.	521	34	BorgWarner Inc.	1,067,279	45,210
		1,968,092	PVH Corp.	391,371	44,812
Consumer Goods (9.1%)			Clorox Co.	323,116	43,052
Procter & Gamble Co.	12,841,918	1,119,173	Leucadia National Corp.	1,625,319	42,518
PepsiCo Inc.	7,173,035	828,414	Mattel Inc.	1,719,248	37,015
Altria Group Inc.	4,849,627	361,152	PulteGroup Inc.	1,425,328	34,963
Mondelez International Inc. Class A	7,238,560	312,633	Lamb Weston Holdings Inc.	733,116	32,287
Kimberly-Clark Corp.	1,782,515	230,141	DR Horton Inc.	895,644	30,963
General Motors Co.	6,442,608	225,040	Lennar Corp. Class A	531,814	28,356
			* Michael Kors Holdings Ltd.	773,441	28,037
			Goodyear Tire & Rubber Co.	631,981	22,094

Value Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Ingration Inc.	179,718	21,424	Twenty-First Century		
Ralph Lauren Corp.			Fox Inc.	1,004,318	27,990
Class A	276,529	20,408	Tiffany & Co.	297,149	27,893
* Pilgrim's Pride Corp.	251,473	5,512	* Discovery		
Lennar Corp. Class B	1,431	64	Communications Inc.	1,067,966	26,923
Valvoline Inc.	1,614	38	Gap Inc.	1,205,554	26,510
* Edgewell Personal			Bed Bath & Beyond Inc.	692,267	21,045
Care Co.	438	33	* Discovery		
		5,203,892	Communications Inc.		
Consumer Services (6.6%)			Class A	770,605	19,905
Wal-Mart Stores Inc.	7,611,931	576,071	* Liberty Media		
CVS Health Corp.	5,114,815	411,538	Corp-Liberty SiriusXM		
Time Warner Inc.	1,849,082	185,666	Class A	411,725	17,284
* eBay Inc.	5,160,896	180,219	H&R Block Inc.	520,054	16,075
Delta Air Lines Inc.	3,327,577	178,824	* Altice USA Inc. Class A	311,486	10,061
McKesson Corp.	1,059,550	174,338	* AutoNation Inc.	178,328	7,518
Target Corp.	2,769,370	144,810	Signet Jewelers Ltd.	85,544	5,410
Cardinal Health Inc.	1,585,490	123,541	News Corp. Class B	12,704	180
Sysco Corp.	2,417,512	121,673	Williams-Sonoma Inc.	657	32
American Airlines			* Rite Aid Corp.	8,322	25
Group Inc.	2,225,347	111,979			3,742,758
Kroger Co.	4,648,461	108,402	Financials (25.3%)		
* United Continental			* Berkshire Hathaway		
Holdings Inc.	1,341,642	100,959	Inc. Class B	9,716,477	1,645,680
Omnicon Group Inc.	1,168,107	96,836	JPMorgan Chase & Co.	17,838,832	1,630,469
AmerisourceBergen			Wells Fargo & Co.	22,582,579	1,251,301
Corp. Class A	821,888	77,693	Bank of America Corp.	49,968,864	1,212,245
Best Buy Co. Inc.	1,311,451	75,185	Citigroup Inc.	13,824,713	924,597
Twenty-First Century			US Bancorp	8,037,853	417,325
Fox Inc. Class A	2,644,141	74,935	Goldman Sachs		
Nielsen Holdings plc	1,794,569	69,378	Group Inc.	1,778,934	394,745
Whole Foods Market Inc.	1,603,908	67,541	Chubb Ltd.	2,227,510	323,835
Las Vegas Sands Corp.	994,139	63,516	American Express Co.	3,815,486	321,417
Carnival Corp.	942,623	61,808	Morgan Stanley	6,967,115	310,455
Viacom Inc. Class B	1,820,766	61,123	PNC Financial Services		
Darden Restaurants Inc.	624,115	56,445	Group Inc.	2,430,199	303,459
Aramark	1,225,210	50,209	American International		
* Liberty Interactive			Group Inc.	4,629,314	289,425
Corp. QVC Group			Bank of New York		
Class A	2,010,094	49,328	Mellon Corp.	4,961,670	253,144
Interpublic Group of			MetLife Inc.	4,323,286	237,521
Cos. Inc.	1,983,638	48,798	Prudential Financial Inc.	2,154,705	233,010
Macy's Inc.	1,531,717	35,597	CME Group Inc.	1,621,270	203,048
* Liberty Media			Capital One Financial		
Corp-Liberty SiriusXM			Corp.	2,425,868	200,425
Class C	840,640	35,055	BB&T Corp.	4,075,485	185,068
News Corp. Class A	2,506,703	34,342	Travelers Cos. Inc.	1,402,588	177,469
Kohl's Corp.	865,034	33,451	Allstate Corp.	1,831,302	161,960
Staples Inc.	3,279,161	33,021	State Street Corp.	1,794,177	160,992
Hilton Worldwide			Aflac Inc.	1,992,032	154,741
Holdings Inc.	530,377	32,804	SunTrust Banks Inc.	2,426,741	137,645
L Brands Inc.	608,385	32,786	Progressive Corp.	2,915,548	128,547
Nordstrom Inc.	586,165	28,036	Synchrony Financial	4,070,461	121,381

Value Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Residential	1,842,781	121,310	People's United		
Discover Financial			Financial Inc.	1,728,842	30,531
Services	1,908,232	118,673	Lazard Ltd. Class A	651,180	30,169
M&T Bank Corp.	695,085	112,569	Axis Capital		
Northern Trust Corp.	1,094,756	106,421	Holdings Ltd.	424,525	27,450
KeyCorp	5,505,982	103,182	Raymond James		
Fifth Third Bancorp	3,765,806	97,760	Financial Inc.	325,290	26,095
Ameriprise Financial Inc.	765,259	97,410	* Athene Holding Ltd.		
Hartford Financial			Class A	521,014	25,848
Services Group Inc.	1,844,027	96,941	Affiliated Managers		
Willis Towers			Group Inc.	142,605	23,652
Watson plc	644,696	93,777	* Liberty Broadband Corp.	269,289	23,361
Principal Financial			Camden Property Trust	219,983	18,811
Group Inc.	1,446,608	92,684	Assurant Inc.	137,400	14,247
Citizens Financial			* Liberty Broadband		
Group Inc.	2,542,488	90,716	Corp. Class A	63,820	5,475
Regions Financial Corp.	6,033,784	88,335	* Berkshire Hathaway		
Lincoln National Corp.	1,125,594	76,068	Inc. Class A	14	3,566
Franklin Resources Inc.	1,690,351	75,711	Navient Corp.	2,409	40
HCP Inc.	2,352,847	75,197	* Santander Consumer		
Huntington			USA Holdings Inc.	876	11
Bancshares Inc.	5,456,511	73,772			14,432,706
GGP Inc.	3,102,347	73,091	Health Care (12.9%)		
Invesco Ltd.	2,042,503	71,876	Johnson & Johnson	13,525,893	1,789,340
Host Hotels &			Pfizer Inc.	29,965,283	1,006,534
Resorts Inc.	3,712,934	67,835	UnitedHealth Group Inc.	4,838,870	897,223
Loews Corp.	1,436,438	67,240	Merck & Co. Inc.	13,734,072	880,217
Annaly Capital			Abbott Laboratories	8,712,055	423,493
Management Inc.	5,114,417	61,629	Eli Lilly & Co.	4,985,530	410,309
FNF Group	1,298,274	58,202	Amgen Inc.	1,846,122	317,958
* Arch Capital Group Ltd.	617,245	57,583	Aetna Inc.	1,665,064	252,807
XL Group Ltd.	1,312,148	57,472	Anthem Inc.	1,331,035	250,408
Cincinnati Financial Corp.	785,236	56,890	Cigna Corp.	1,285,760	215,223
Unum Group	1,145,394	53,410	* Express Scripts		
Duke Realty Corp.	1,784,676	49,882	Holding Co.	2,979,187	190,191
Ally Financial Inc.	2,304,833	48,171	Humana Inc.	724,975	174,443
Western Union Co.	2,365,533	45,063	Zimmer Biomet		
Zions Bancorporation	1,016,991	44,656	Holdings Inc.	1,013,126	130,085
* Alleghany Corp.	73,523	43,731	* HCA Healthcare Inc.	1,473,379	128,479
Torchmark Corp.	557,655	42,661	Quest Diagnostics Inc.	686,712	76,335
Reinsurance Group			Baxter International Inc.	1,228,216	74,356
of America Inc. Class A	323,074	41,479	* Hologic Inc.	1,405,278	63,772
Nasdaq Inc.	580,171	41,476	Perrigo Co. plc	683,634	51,628
Macerich Co.	711,568	41,314	Universal Health		
Everest Re Group Ltd.	154,537	39,344	Services Inc. Class B	224,290	27,381
AGNC Investment Corp.	1,784,457	37,991			7,360,182
Kimco Realty Corp.	2,034,622	37,335	Industrials (12.3%)		
CIT Group Inc.	729,926	35,547	General Electric Co.	43,602,438	1,177,702
Voya Financial Inc.	933,185	34,425	Honeywell		
Comerica Inc.	444,033	32,521	International Inc.	3,827,407	510,155
WR Berkley Corp.	456,418	31,570	United Technologies		
New York Community			Corp.	3,620,183	442,060
Bancorp Inc.	2,332,506	30,626	Lockheed Martin Corp.	1,235,485	342,983

Value Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Caterpillar Inc.	2,958,828	317,956	Phillips 66	2,190,407	181,125
Boeing Co.	1,439,239	284,609	Valero Energy Corp.	2,244,793	151,434
General Dynamics Corp.	1,287,872	255,127	Marathon Petroleum Corp.	2,603,859	136,260
CSX Corp.	4,399,896	240,058	Baker Hughes Inc.	2,135,384	116,400
Raytheon Co.	1,461,867	236,062	Apache Corp.	1,909,348	91,515
Northrop Grumman Corp.	876,829	225,091	Halliburton Co.	2,068,975	88,366
Johnson Controls International plc	4,712,029	204,314	Devon Energy Corp.	2,506,653	80,138
Deere & Co.	1,598,580	197,568	Tesoro Corp.	763,572	71,470
Emerson Electric Co.	3,237,391	193,013	Hess Corp.	1,515,836	66,500
Norfolk Southern Corp.	1,455,646	177,152	National Oilwell Varco Inc.	1,907,368	62,829
Eaton Corp. plc	2,245,084	174,735	Williams Cos. Inc.	2,072,362	62,751
Waste Management Inc.	2,220,203	162,852	Marathon Oil Corp.	4,266,162	50,554
TE Connectivity Ltd.	1,781,858	140,197	OGE Energy Corp.	1,002,157	34,865
Cummins Inc.	843,995	136,913	^ Helmerich & Payne Inc.	490,348	26,645
Danaher Corp.	1,568,349	132,353	HollyFrontier Corp.	446,377	12,262
FedEx Corp.	604,523	131,381	* Weatherford International plc	2,499,166	9,672
Ingersoll-Rand plc	1,284,974	117,434	* Energen Corp.	122,306	6,038
PACCAR Inc.	1,762,990	116,428	Schlumberger Ltd.	11,023	726
Parker-Hannifin Corp.	668,536	106,845	Murphy Oil Corp.	1,314	34
Illinois Tool Works Inc.	693,614	99,360			
Rockwell Collins Inc.	814,863	85,626			
Republic Services Inc. Class A	1,187,840	75,701			
Ball Corp.	1,762,386	74,390			
WestRock Co.	1,260,339	71,411			
L3 Technologies Inc.	390,691	65,277			
Dover Corp.	781,372	62,682			
Pentair plc	823,141	54,772			
Xylem Inc.	901,994	49,997			
* Crown Holdings Inc.	682,996	40,747			
ManpowerGroup Inc.	336,727	37,596			
* Arrow Electronics Inc.	445,878	34,966			
Jacobs Engineering Group Inc.	604,321	32,869			
Fluor Corp.	701,695	32,124			
Xerox Corp.	1,084,225	31,150			
Flowserve Corp.	655,535	30,436			
Allison Transmission Holdings Inc.	686,983	25,769			
* United Rentals Inc.	212,109	23,907			
WW Grainger Inc.	125,145	22,592			
Sealed Air Corp.	493,230	22,077			
Owens Corning	280,720	18,786			
Avnet Inc.	314,728	12,237			
		7,027,460			
Oil & Gas (8.2%)			Other (0.0%)²		
Exxon Mobil Corp.	21,275,439	1,717,566	* Safeway Inc CVR (Casa Ley) Expire 1/30/2018	376	—
Chevron Corp.	9,513,041	992,495	* Safeway Inc CVR (PDC) Expire 1/30/2019	376	—
ConocoPhillips	6,213,126	273,129			
Occidental Petroleum Corp.	3,840,111	229,907			
Kinder Morgan Inc.	9,532,201	182,637			
			Technology (12.3%)		
			Microsoft Corp.	38,764,932	2,672,067
			Intel Corp.	23,645,647	797,804
			Cisco Systems Inc. International Business Machines Corp.	25,107,391	785,861
			QUALCOMM Inc.	4,481,905	689,451
			Oracle Corp.	7,417,327	409,585
			HP Inc.	7,748,054	388,487
			Corning Inc.	8,486,269	148,340
			Hewlett Packard Enterprise Co.	4,618,859	138,797
			Western Digital Corp.	8,320,262	138,033
			DXC Technology Co.	1,462,112	129,543
			Symantec Corp.	1,421,776	109,079
			Motorola Solutions Inc.	3,053,063	86,249
			* Dell Technologies Inc. Class V	820,484	71,169
			Seagate Technology plc	1,042,792	63,725
			* Synopsys Inc.	1,488,777	57,690
			NetApp Inc.	754,417	55,020
			CA Inc.	1,359,984	54,467
			*^ Advanced Micro Devices Inc.	1,572,683	54,210
				4,268,168	53,267

Value Index Fund

	Shares	Market Value* (\$000)
Marvell Technology Group Ltd.	1,888,534	31,199
Juniper Networks Inc.	958,671	26,728
Garmin Ltd.	472,293	24,101
* Nuance Communications Inc.	722,011	12,570
Harris Corp.	978	107
		6,997,549
Telecommunications (3.8%)		
AT&T Inc.	30,869,324	1,164,700
Verizon Communications Inc.	20,483,488	914,792
CenturyLink Inc.	2,754,453	65,776
*^ Sprint Corp.	3,002,635	24,652
		2,169,920
Utilities (5.9%)		
NextEra Energy Inc.	2,351,278	329,485
Duke Energy Corp.	3,514,760	293,799
Dominion Energy Inc.	3,159,012	242,075
Southern Co.	4,998,330	239,320
American Electric Power Co. Inc.	2,470,086	171,597
PG&E Corp.	2,566,844	170,361
Exelon Corp.	4,650,640	167,749
Sempra Energy	1,257,909	141,829
PPL Corp.	3,416,979	132,100
Edison International	1,635,367	127,869
Consolidated Edison Inc.	1,532,704	123,873
Xcel Energy Inc.	2,548,505	116,925
Public Service Enterprise Group Inc.	2,538,946	109,200
WEC Energy Group Inc.	1,583,956	97,223
Eversource Energy	1,590,593	96,565
DTE Energy Co.	900,381	95,251
American Water Works Co. Inc.	894,307	69,711
Entergy Corp.	900,751	69,151
Ameren Corp.	1,217,751	66,575
CMS Energy Corp.	1,407,508	65,097
FirstEnergy Corp.	2,227,229	64,946
CenterPoint Energy Inc.	2,054,961	56,265
ONEOK Inc.	1,058,896	55,232
Pinnacle West Capital Corp.	559,815	47,674
Alliant Energy Corp.	1,143,355	45,929
SCANA Corp.	645,629	43,264
NiSource Inc.	1,629,569	41,326
AES Corp.	3,313,247	36,810
Avangrid Inc.	310,298	13,700
		3,330,901

	Shares	Market Value* (\$000)
Total Common Stocks (Cost \$45,513,789)		
		56,878,778
Temporary Cash Investments (0.1%)¹		
Money Market Fund (0.1%)		
^{3,4} Vanguard Market Liquidity Fund, 1.181%	547,845	54,795
	Face Amount (\$000)	
U.S. Government and Agency Obligations (0.0%)		
⁵ United States Treasury Bill, 0.923%–0.990%, 9/21/17	6,000	5,987
Total Temporary Cash Investments (Cost \$60,779)		
		60,782
Total Investments (100.0%) (Cost \$45,574,568)		
		56,939,560
	Amount (\$000)	
Other Assets and Liabilities (0.0%)		
Other Assets		
Investment in Vanguard		3,698
Receivables for Accrued Income		68,585
Receivables for Capital Shares Issued		19,467
Other Assets		1,725
Total Other Assets		
		93,475
Liabilities		
Payables for Investment Securities Purchased		(25,956)
Collateral for Securities on Loan		(13,543)
Payables for Capital Shares Redeemed		(22,721)
Payables to Vanguard		(21,932)
Total Liabilities		
		(84,152)
Net Assets (100%)		
		56,948,883

At June 30, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	46,381,449
Undistributed Net Investment Income	2,221
Accumulated Net Realized Losses	(799,343)
Unrealized Appreciation (Depreciation)	
Investment Securities	11,364,992
Futures Contracts	(436)
Net Assets	56,948,883

Investor Shares—Net Assets

Applicable to 42,650,227 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,606,210
Net Asset Value Per Share— Investor Shares	\$37.66

ETF Shares—Net Assets

Applicable to 324,495,545 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	31,320,241
Net Asset Value Per Share— ETF Shares	\$96.52

	Amount (\$000)
Admiral Shares—Net Assets	
Applicable to 388,702,356 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	14,635,388
Net Asset Value Per Share— Admiral Shares	\$37.65

Institutional Shares—Net Assets

Applicable to 249,318,610 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	9,387,044
Net Asset Value Per Share— Institutional Shares	\$37.65

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

[^] Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$13,000,000.

¹ The fund invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the fund's effective common stock and temporary cash investment positions represent 100.0% and 0.0%, respectively, of net assets.

² "Other" represents securities that are not classified by the fund's benchmark index.

³ Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

⁴ Includes \$13,543,000 of collateral received for securities on loan.

⁵ Securities with a value of \$3,093,000 have been segregated as initial margin for open futures contracts.

CVR—Contingent Value Rights.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

Six Months Ended
June 30, 2017

(\$000)

Investment Income	
Income	
Dividends	681,019
Interest ¹	244
Securities Lending—Net	118
Total Income	681,381
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,916
Management and Administrative—Investor Shares	1,178
Management and Administrative—ETF Shares	6,346
Management and Administrative—Admiral Shares	2,763
Management and Administrative—Institutional Shares	1,677
Marketing and Distribution—Investor Shares	134
Marketing and Distribution—ETF Shares	828
Marketing and Distribution—Admiral Shares	611
Marketing and Distribution—Institutional Shares	103
Custodian Fees	290
Shareholders' Reports—Investor Shares	64
Shareholders' Reports—ETF Shares	684
Shareholders' Reports—Admiral Shares	166
Shareholders' Reports—Institutional Shares	41
Trustees' Fees and Expenses	17
Total Expenses	16,818
Net Investment Income	664,563
Realized Net Gain (Loss)	
Investment Securities Sold ¹	799,991
Futures Contracts	4,895
Realized Net Gain (Loss)	804,886
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	1,227,869
Futures Contracts	751
Change in Unrealized Appreciation (Depreciation)	1,228,620
Net Increase (Decrease) in Net Assets Resulting from Operations	2,698,069

1 Interest income and realized net gain (loss) from an affiliated company of the fund were \$222,000 and \$36,000, respectively.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2017	Year Ended December 31, 2016
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	664,563	1,162,619
Realized Net Gain (Loss)	804,886	1,023,424
Change in Unrealized Appreciation (Depreciation)	1,228,620	4,805,371
Net Increase (Decrease) in Net Assets Resulting from Operations	2,698,069	6,991,414
Distributions		
Net Investment Income		
Investor Shares	(17,585)	(36,182)
ETF Shares	(360,325)	(607,079)
Admiral Shares	(167,452)	(309,973)
Institutional Shares	(107,657)	(206,990)
Realized Capital Gain		
Investor Shares	—	—
ETF Shares	—	—
Admiral Shares	—	—
Institutional Shares	—	—
Total Distributions	(653,019)	(1,160,224)
Capital Share Transactions		
Investor Shares	(42,488)	(872)
ETF Shares	3,096,000	5,425,058
Admiral Shares	671,365	1,461,682
Institutional Shares	357,582	475,356
Net Increase (Decrease) from Capital Share Transactions	4,082,459	7,361,224
Total Increase (Decrease)	6,127,509	13,192,414
Net Assets		
Beginning of Period	50,821,374	37,628,960
End of Period ¹	56,948,883	50,821,374

¹ Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$2,221,000 and (\$9,323,000).

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$36.24	\$31.82	\$32.95	\$29.78	\$22.93	\$20.47
Investment Operations						
Net Investment Income	.420	.850	.782	.691	.621	.595
Net Realized and Unrealized Gain (Loss) on Investments	1.412	4.415	(1.130)	3.164	6.847	2.458
Total from Investment Operations	1.832	5.265	(.348)	3.855	7.468	3.053
Distributions						
Dividends from Net Investment Income	(.412)	(.845)	(.782)	(.685)	(.618)	(.593)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.412)	(.845)	(.782)	(.685)	(.618)	(.593)
Net Asset Value, End of Period	\$37.66	\$36.24	\$31.82	\$32.95	\$29.78	\$22.93
Total Return¹	5.07%	16.75%	-1.03%	13.05%	32.85%	15.00%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,606	\$1,587	\$1,397	\$1,593	\$1,731	\$1,482
Ratio of Total Expenses to Average Net Assets	0.18%	0.18%	0.22%	0.23%	0.24%	0.24%
Ratio of Net Investment Income to Average Net Assets	2.34%	2.64%	2.44%	2.25%	2.35%	2.71%
Portfolio Turnover Rate ²	9%	7%	8%	6%	25%	22%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

² Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$92.87	\$81.56	\$84.45	\$76.34	\$58.79	\$52.48
Investment Operations						
Net Investment Income	1.135	2.282	2.123	1.888	1.700	1.613
Net Realized and Unrealized Gain (Loss) on Investments	3.630	11.301	(2.890)	8.095	17.538	6.305
Total from Investment Operations	4.765	13.583	(.767)	9.983	19.238	7.918
Distributions						
Dividends from Net Investment Income	(1.115)	(2.273)	(2.123)	(1.873)	(1.688)	(1.608)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.115)	(2.273)	(2.123)	(1.873)	(1.688)	(1.608)
Net Asset Value, End of Period	\$96.52	\$92.87	\$81.56	\$84.45	\$76.34	\$58.79
Total Return	5.15%	16.88%	-0.89%	13.19%	33.03%	15.19%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$31,320	\$27,126	\$18,648	\$17,277	\$12,461	\$7,027
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.08%	0.09%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.46%	2.76%	2.58%	2.39%	2.50%	2.85%
Portfolio Turnover Rate ¹	9%	7%	8%	6%	25%	22%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$36.23	\$31.82	\$32.94	\$29.78	\$22.93	\$20.47
Investment Operations						
Net Investment Income	.443	.890	.829	.737	.663	.629
Net Realized and Unrealized Gain (Loss) on Investments	1.412	4.407	(1.121)	3.154	6.845	2.458
Total from Investment Operations	1.855	5.297	(.292)	3.891	7.508	3.087
Distributions						
Dividends from Net Investment Income	(.435)	(.887)	(.828)	(.731)	(.658)	(.627)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.435)	(.887)	(.828)	(.731)	(.658)	(.627)
Net Asset Value, End of Period	\$37.65	\$36.23	\$31.82	\$32.94	\$29.78	\$22.93
Total Return¹	5.14%	16.86%	-0.86%	13.18%	33.05%	15.18%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$14,635	\$13,424	\$10,408	\$9,701	\$5,054	\$3,539
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.08%	0.09%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.46%	2.76%	2.58%	2.39%	2.50%	2.85%
Portfolio Turnover Rate ²	9%	7%	8%	6%	25%	22%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

1 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

2 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$36.23	\$31.82	\$32.94	\$29.78	\$22.93	\$20.47
Investment Operations						
Net Investment Income	.446	.893	.831	.739	.666	.633
Net Realized and Unrealized Gain (Loss) on Investments	1.411	4.407	(1.120)	3.154	6.846	2.458
Total from Investment Operations	1.857	5.300	(.289)	3.893	7.512	3.091
Distributions						
Dividends from Net Investment Income	(.437)	(.890)	(.831)	(.733)	(.662)	(.631)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.437)	(.890)	(.831)	(.733)	(.662)	(.631)
Net Asset Value, End of Period	\$37.65	\$36.23	\$31.82	\$32.94	\$29.78	\$22.93
Total Return	5.14%	16.87%	-0.85%	13.19%	33.07%	15.20%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$9,387	\$8,684	\$7,176	\$7,860	\$6,431	\$4,369
Ratio of Total Expenses to Average Net Assets	0.05%	0.05%	0.07%	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	2.47%	2.77%	2.59%	2.40%	2.51%	2.87%
Portfolio Turnover Rate ¹	9%	7%	8%	6%	25%	22%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Notes to Financial Statements

Vanguard Value Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers four classes of shares: Investor Shares, ETF Shares, Admiral Shares, and Institutional Shares. Investor Shares are available to any investor who meets the fund's minimum purchase requirements. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker. Admiral Shares and Institutional Shares are designed for investors who meet certain administrative, service, and account-size criteria.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, enhancing returns, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The fund may seek to enhance returns by using futures contracts instead of the underlying securities when futures are believed to be priced more attractively than the underlying securities. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract.

Futures contracts are valued at their quoted daily settlement prices. The aggregate settlement values of the contracts are not recorded in the Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized futures gains (losses).

During the six months ended June 30, 2017, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of aggregate settlement values at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (December 31, 2013–2016), and for the period ended June 30, 2017, and has concluded that no provision for federal income tax is required in the fund's financial statements.

4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.

5. **Securities Lending:** To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the absence of a default the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.

6. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn amount of the facility; these fees are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at June 30, 2017, or at any time during the period then ended.

7. **Other:** Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, to interest income over the lives of the respective securities. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

Each class of shares has equal rights as to assets and earnings, except that each class separately bears certain class-specific expenses related to maintenance of shareholder accounts (included in Management and Administrative expenses) and shareholder reporting. Marketing and distribution expenses are allocated to each class of shares based on a method approved by the board of trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund's liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2017, the fund had contributed to Vanguard capital in the amount of \$3,698,000, representing 0.01% of the fund's net assets and 1.48% of Vanguard's capitalization. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the fund's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments).

The following table summarizes the market value of the fund's investments as of June 30, 2017, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	56,878,778	—	—
Temporary Cash Investments	54,795	5,987	—
Futures Contracts—Assets ¹	28	—	—
Total	56,933,601	5,987	—

¹ Represents variation margin on the last day of the reporting period.

D. At June 30, 2017, the aggregate settlement value of open futures contracts and the related unrealized appreciation (depreciation) were:

			(\$000)	
Futures Contracts	Expiration	Number of Long (Short) Contracts	Aggregate Settlement Value	Unrealized Appreciation
			Long (Short)	(Depreciation)
E-mini S&P 500 Index	September 2017	620	75,048	(436)

Unrealized appreciation (depreciation) on open futures contracts is required to be treated as realized gain (loss) for tax purposes.

E. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

During the six months ended June 30, 2017, the fund realized \$877,982,000 of net capital gains resulting from in-kind redemptions—in which shareholders exchanged fund shares for securities held by the fund rather than for cash. Because such gains are not taxable to the fund, and are not distributed to shareholders, they have been reclassified from accumulated net realized losses to paid-in capital.

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2016, the fund had available capital losses totaling \$727,435,000 to offset future net capital gains. Of this amount, \$333,377,000 is subject to expiration on December 31, 2017. Capital losses of \$394,058,000 realized beginning in fiscal 2011 may be carried forward indefinitely under the Regulated Investment Company Modernization Act of 2010, but must be used before any expiring loss carryforwards. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2017; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

At June 30, 2017, the cost of investment securities for tax purposes was \$45,574,568,000. Net unrealized appreciation of investment securities for tax purposes was \$11,364,992,000, consisting of unrealized gains of \$12,527,663,000 on securities that had risen in value since their purchase and \$1,162,671,000 in unrealized losses on securities that had fallen in value since their purchase.

F. During the six months ended June 30, 2017, the fund purchased \$8,633,705,000 of investment securities and sold \$4,487,141,000 of investment securities, other than temporary cash investments. Purchases and sales include \$4,912,646,000 and \$2,120,140,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the six

months ended June 30, 2017, such purchases and sales were \$1,124,693,000 and \$829,019,000, respectively; these amounts are included in the purchases and sales of investment securities noted above.

G. Capital share transactions for each class of shares were:

	Six Months Ended June 30, 2017		Year Ended December 31, 2016	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	159,297	4,288	330,274	9,960
Issued in Lieu of Cash Distributions	16,045	430	32,849	966
Redeemed	(217,830)	(5,869)	(363,995)	(11,030)
Net Increase (Decrease)—Investor Shares	(42,488)	(1,151)	(872)	(104)
ETF Shares				
Issued	5,227,143	54,733	8,556,798	100,574
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(2,131,143)	(22,325)	(3,131,740)	(37,125)
Net Increase (Decrease)—ETF Shares	3,096,000	32,408	5,425,058	63,449
Admiral Shares				
Issued	1,849,987	49,805	3,065,991	92,197
Issued in Lieu of Cash Distributions	144,821	3,884	267,386	7,859
Redeemed	(1,323,443)	(35,524)	(1,871,695)	(56,627)
Net Increase (Decrease)—Admiral Shares	671,365	18,165	1,461,682	43,429
Institutional Shares				
Issued	995,952	26,724	1,607,419	48,764
Issued in Lieu of Cash Distributions	101,842	2,731	195,936	5,764
Redeemed	(740,212)	(19,847)	(1,327,999)	(40,362)
Net Increase (Decrease)—Institutional Shares	357,582	9,608	475,356	14,166

H. Management has determined that no material events or transactions occurred subsequent to June 30, 2017, that would require recognition or disclosure in these financial statements.

Large-Cap Index Fund

Fund Profile

As of June 30, 2017

Share-Class Characteristics

	Investor Shares	ETF Shares	Admiral Shares	Institutional Shares
Ticker Symbol	VLACX	VV	VLCA	VLISX
Expense Ratio ¹	0.18%	0.06%	0.06%	0.05%
30-Day SEC Yield	1.81%	1.93%	1.93%	1.95%

Portfolio Characteristics

	Fund	CRSP US Large Cap Index	DJ U.S. Total Market FA Index
Number of Stocks	610	602	3,800
Median Market Cap	\$84.4B	\$84.4B	\$59.8B
Price/Earnings Ratio	21.5x	21.5x	21.2x
Price/Book Ratio	3.0x	3.0x	2.9x
Return on Equity	23.1%	23.1%	16.3%
Earnings Growth Rate	8.1%	8.1%	10.0%
Dividend Yield	1.9%	1.9%	1.8%
Foreign Holdings	0.0%	0.0%	0.0%
Turnover Rate (Annualized)	4%	—	—
Short-Term Reserves	0.0%	—	—

Sector Diversification (% of equity exposure)

	Fund	CRSP US Large Cap Index	DJ U.S. Total Market FA Index
Basic Materials	2.3%	2.3%	2.6%
Consumer Goods	10.1	10.1	9.7
Consumer Services	13.3	13.3	13.1
Financials	19.4	19.4	20.4
Health Care	13.4	13.4	13.1
Industrials	12.0	12.0	12.9
Oil & Gas	5.8	5.8	5.5
Technology	18.4	18.4	17.5
Telecommunications	2.2	2.2	2.0
Utilities	3.1	3.1	3.2

Volatility Measures

	CRSP US Large Cap Index	DJ U.S. Total Market FA Index
R-Squared	1.00	0.99
Beta	1.00	0.97

These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

Ten Largest Holdings (% of total net assets)

Apple Inc.	Computer Hardware	3.2%
Alphabet Inc.	Internet	2.5
Microsoft Corp.	Software	2.5
Amazon.com Inc.	Broadline Retailers	1.8
Facebook Inc.	Internet	1.7
Johnson & Johnson	Pharmaceuticals	1.7
Exxon Mobil Corp.	Integrated Oil & Gas	1.6
Berkshire Hathaway Inc.	Reinsurance	1.5
JPMorgan Chase & Co.	Banks	1.5
Wells Fargo & Co.	Banks	1.2
Top Ten		19.2%

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

¹ The expense ratios shown are from the prospectus dated April 27, 2017, and represent estimated costs for the current fiscal year. For the six months ended June 30, 2017, the annualized expense ratios were 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares.

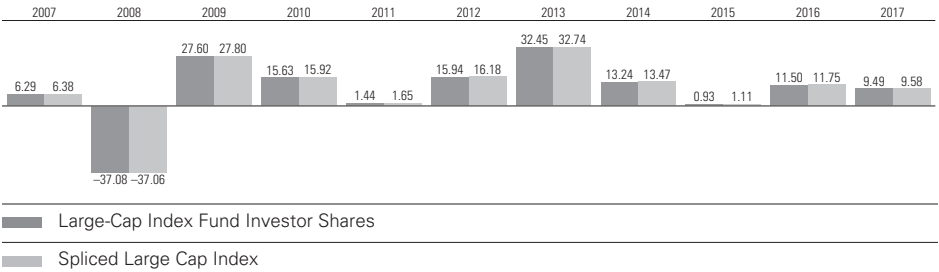
Investment Focus

Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (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.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Fiscal-Year Total Returns (%): December 31, 2006, Through June 30, 2017



For a benchmark description, see the Glossary.

Note: For 2017, performance data reflect the six months ended June 30, 2017.

Average Annual Total Returns: Periods Ended June 30, 2017

	Inception Date	One Year	Five Years	Ten Years
Investor Shares	1/30/2004	18.08%	14.42%	7.17%
ETF Shares	1/27/2004			
Market Price		18.24	14.58	7.33
Net Asset Value		18.20	14.57	7.32
Admiral Shares	2/2/2004	18.22	14.57	7.32
Institutional Shares	6/30/2005	18.22	14.58	7.34

See Financial Highlights for dividend and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets

As of June 30, 2017

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.8%)¹			Consumer Goods (10.0%)		
Basic Materials (2.3%)			Procter & Gamble Co.	1,885,945	164,360
Dow Chemical Co.	900,888	56,819	Philip Morris International Inc.	1,145,319	134,518
El du Pont de Nemours & Co.	639,355	51,602	Coca-Cola Co.	2,835,433	127,169
Praxair Inc.	210,513	27,903	PepsiCo Inc.	1,053,340	121,650
Ecolab Inc.	192,153	25,508	Altria Group Inc.	1,424,405	106,075
Air Products & Chemicals Inc.	160,637	22,981	NIKE Inc. Class B	974,543	57,498
PPG Industries Inc.	189,275	20,813	Colgate-Palmolive Co.	651,415	48,289
LyondellBasell Industries NV Class A	237,701	20,060	Mondelez International Inc. Class A	1,062,886	45,906
International Paper Co.	304,516	17,239	Reynolds American Inc.	631,271	41,058
Nucor Corp.	235,319	13,618	Kraft Heinz Co.	448,957	38,449
Newmont Mining Corp.	393,309	12,739	Monsanto Co.	323,618	38,303
* Freeport-McMoRan Inc.	960,308	11,533	Kimberly-Clark Corp.	261,726	33,792
Celanese Corp. Class A	103,361	9,813	* General Motors Co.	946,117	33,048
Albemarle Corp.	82,400	8,696	* Tesla Inc.	90,870	32,860
Eastman Chemical Co.	96,595	8,113	Ford Motor Co.	2,884,117	32,273
International Flavors & Fragrances Inc.	58,206	7,858	Activision Blizzard Inc.	527,031	30,341
Arconic Inc.	325,169	7,365	General Mills Inc.	425,110	23,551
FMC Corp.	98,858	7,222	* Electronic Arts Inc.	215,516	22,784
Mosaic Co.	259,063	5,914	Constellation Brands Inc. Class A	113,812	22,049
Avery Dennison Corp.	65,337	5,774	Newell Brands Inc.	356,318	19,106
* Axalta Coating Systems Ltd.	160,793	5,152	Archer-Daniels-Midland Co.	418,650	17,324
CF Industries Holdings Inc.	171,203	4,787	Delphi Automotive plc	197,458	17,307
Reliance Steel & Aluminum Co.	50,254	3,659	Stanley Black & Decker Inc.	112,918	15,891
WR Grace & Co.	50,756	3,655	Estee Lauder Cos. Inc. Class A	165,136	15,850
* Alcoa Corp.	67,035	2,189	* Monster Beverage Corp.	313,800	15,590
Westlake Chemical Corp.	28,274	1,872	Tyson Foods Inc. Class A	212,138	13,286
Ashland Global Holdings Inc.	12	1	Clorox Co.	95,055	12,665
		362,885	Kellogg Co.	180,219	12,518
			Dr Pepper Snapple Group Inc.	135,603	12,355
			Conagra Brands Inc.	318,216	11,379
			* Mohawk Industries Inc.	46,587	11,260

Large-Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Molson Coors Brewing Co. Class B	129,305	11,164	Walt Disney Co.	1,096,298	116,482
VF Corp.	191,533	11,032	McDonald's Corp.	601,088	92,063
Hershey Co.	101,013	10,846	Wal-Mart Stores Inc.	1,117,775	84,593
Whirlpool Corp.	54,646	10,471	* Priceline Group Inc.	36,228	67,765
Coach Inc.	207,360	9,816	CVS Health Corp.	751,473	60,464
JM Smucker Co.	81,656	9,662	Starbucks Corp.	1,014,293	59,143
Genuine Parts Co.	103,534	9,604	Time Warner Inc.	543,336	54,556
Church & Dwight Co. Inc.	183,456	9,518	Walgreens Boots Alliance Inc.	677,600	53,063
Hasbro Inc.	83,000	9,255	Costco Wholesale Corp.	323,679	51,766
DR Horton Inc.	263,127	9,096	* Charter Communications Inc. Class A	147,991	49,851
Lennar Corp. Class A	154,936	8,261	Lowes's Cos. Inc.	632,249	49,018
McCormick & Co. Inc.	83,522	8,144	* Netflix Inc.	301,999	45,122
Bunge Ltd.	103,556	7,725	* TJX Cos. Inc.	453,449	32,725
Campbell Soup Co.	146,268	7,628	* eBay Inc.	756,606	26,421
Lear Corp.	51,103	7,261	Delta Air Lines Inc.	487,651	26,206
* LKQ Corp.	216,091	7,120	McKesson Corp.	155,342	25,560
Harley-Davidson Inc.	129,262	6,983	Southwest Airlines Co.	400,580	24,892
Snap-on Inc.	42,572	6,726	Twenty-First Century Fox Inc. Class A	776,078	21,994
PVH Corp.	57,990	6,640	Target Corp.	406,085	21,234
BorgWarner Inc.	155,889	6,604	Marriott International Inc. Class A	210,586	21,124
Hormel Foods Corp.	193,575	6,603	Yum! Brands Inc.	256,389	18,911
Brown-Forman Corp. Class B	134,521	6,538	Las Vegas Sands Corp.	292,122	18,664
Hanesbrands Inc.	276,530	6,404	Carnival Corp.	277,094	18,169
* NVR Inc.	2,615	6,304	Cardinal Health Inc.	232,945	18,151
Coty Inc. Class A	330,916	6,208	Sysco Corp.	356,354	17,935
Leucadia National Corp.	237,082	6,202	CBS Corp. Class B	261,408	16,673
Mattel Inc.	251,185	5,408	Ross Stores Inc.	288,707	16,667
PulteGroup Inc.	209,377	5,136	American Airlines Group Inc.	326,280	16,418
* WABCO Holdings Inc.	38,197	4,871	Kroger Co.	686,756	16,015
Lamb Weston Holdings Inc.	107,019	4,713	* O'Reilly Automotive Inc.	67,977	14,869
* Lululemon Athletica Inc.	70,403	4,201	* United Continental Holdings Inc.	196,868	14,814
* Michael Kors Holdings Ltd.	114,830	4,163	Dollar General Corp.	202,449	14,595
^ Polaris Industries Inc.	44,170	4,074	Omnicom Group Inc.	171,544	14,221
Goodyear Tire & Rubber Co.	93,862	3,281	Royal Caribbean Cruises Ltd.	126,953	13,867
Ingredion Inc.	26,468	3,155	Expedia Inc.	91,774	13,670
Ralph Lauren Corp. Class A	41,249	3,044	* Ulta Beauty Inc.	43,372	12,462
*,^ Under Armour Inc. Class A	134,762	2,932	* AutoZone Inc.	20,998	11,979
* Under Armour Inc.	138,223	2,787	MGM Resorts International	381,502	11,937
* Pilgrim's Pride Corp.	35,895	787	* Dollar Tree Inc.	165,728	11,588
Lennar Corp. Class B	1,161	52	AmerisourceBergen Corp. Class A	120,775	11,417
Valvoline Inc.	39	1	Best Buy Co. Inc.	195,470	11,206
* Edgewell Personal Care Co.	12	1	Nielsen Holdings plc	261,938	10,127
		1,588,925	* DISH Network Corp. Class A	159,366	10,002
Consumer Services (13.3%)			Whole Foods Market Inc.	235,714	9,926
* Amazon.com Inc.	299,588	290,001			
Comcast Corp. Class A	3,490,382	135,846			
Home Depot Inc.	881,622	135,241			

Large-Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Hilton Worldwide Holdings Inc.	156,024	9,650	Viacom Inc. Class A	985	37
L Brands Inc.	178,422	9,615	Williams-Sonoma Inc.	15	1
Viacom Inc. Class B	266,139	8,934	* Rite Aid Corp.	204	1
* Chipotle Mexican Grill Inc. Class A	21,136	8,795			2,104,216
* CarMax Inc.	137,286	8,657	Financials (19.4%)		
Darden Restaurants Inc.	91,769	8,300	* Berkshire Hathaway Inc.		
Twenty-First Century Fox Inc.	294,465	8,207	Class B	1,421,017	240,678
Alaska Air Group Inc.	91,213	8,187	JPMorgan Chase & Co.	2,619,804	239,450
Tiffany & Co.	86,671	8,136	Wells Fargo & Co.	3,316,474	183,766
Wynn Resorts Ltd.	60,472	8,110	Bank of America Corp.	7,338,291	178,027
Wyndham Worldwide Corp.	77,156	7,747	Citigroup Inc.	2,030,211	135,780
* Liberty Interactive Corp.			Visa Inc. Class A	1,361,682	127,699
QVC Group Class A	304,940	7,483	Mastercard Inc. Class A	699,457	84,949
Aramark	180,183	7,384	US Bancorp	1,180,655	61,300
Interpublic Group of Cos. Inc.	291,488	7,171	Goldman Sachs Group Inc.	261,236	57,968
* Norwegian Cruise Line Holdings Ltd.	117,791	6,395	Chubb Ltd.	327,167	47,564
Advance Auto Parts Inc.	51,439	5,997	American Express Co.	560,820	47,243
^ Sirius XM Holdings Inc.	1,038,804	5,682	Morgan Stanley	1,023,045	45,587
Tractor Supply Co.	96,501	5,231	PNC Financial Services Group Inc.	356,906	44,567
Macy's Inc.	224,015	5,206	American International Group Inc.	679,975	42,512
* Liberty Media Corp- Liberty SiriusXM Class C	123,250	5,140	American Tower Corporation	313,468	41,478
Kohl's Corp.	130,689	5,054	Charles Schwab Corp.	887,643	38,133
News Corp. Class A	354,304	4,854	BlackRock Inc.	89,435	37,778
FactSet Research Systems Inc.	29,115	4,838	Simon Property Group Inc.	230,072	37,216
Staples Inc.	479,290	4,826	Bank of New York Mellon Corp.	728,703	37,178
Foot Locker Inc.	96,764	4,769	MetLife Inc.	634,922	34,883
Scripps Networks Interactive Inc. Class A	63,561	4,342	Prudential Financial Inc.	316,398	34,215
Nordstrom Inc.	88,482	4,232	CME Group Inc.	238,095	29,819
* Discovery Communications Inc.	163,110	4,112	Marsh & McLennan Cos. Inc.	379,238	29,565
Gap Inc.	175,246	3,854	Capital One Financial Corp.	355,594	29,379
Domino's Pizza Inc.	17,686	3,741	Intercontinental Exchange Inc.	436,263	28,758
Bed Bath & Beyond Inc.	104,458	3,176	S&P Global Inc.	190,183	27,765
* TripAdvisor Inc.	81,317	3,106	BB&T Corp.	598,303	27,169
* Discovery Communications Inc. Class A	111,815	2,888	Crown Castle International Corp.	269,529	27,001
* Liberty Media Corp- Liberty SiriusXM Class A	64,104	2,691	Travelers Cos. Inc.	206,061	26,073
H&R Block Inc.	75,639	2,338	Aon plc	193,280	25,697
Signet Jewelers Ltd.	25,178	1,592	Equinix Inc.	57,353	24,614
* Altice USA Inc. Class A	45,515	1,470	State Street Corp.	265,671	23,839
* Hyatt Hotels Corp. Class A	24,240	1,363	Allstate Corp.	268,859	23,778
* AutoNation Inc.	26,090	1,100	Prologis Inc.	390,594	22,904
News Corp. Class B	14,516	205	Public Storage	108,968	22,723
CBS Corp. Class A	2,867	186	Aflac Inc.	292,127	22,692
			SunTrust Banks Inc.	359,216	20,375
			Welltower Inc.	269,631	20,182

Large-Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
AvalonBay			Cincinnati Financial Corp.	114,605	8,303
Communities Inc.	101,639	19,532	Alexandria Real Estate		
Progressive Corp.	428,413	18,889	Equities Inc.	67,243	8,101
Weyerhaeuser Co.	554,568	18,578	SL Green Realty Corp.	75,104	7,946
Ventas Inc.	261,745	18,186	Unum Group	168,639	7,864
Synchrony Financial	598,076	17,835	* E*TRADE Financial Corp.	202,874	7,715
Equity Residential	270,791	17,826	* CBRE Group Inc. Class A	211,896	7,713
Discover Financial			Raymond James		
Services	282,310	17,557	Financial Inc.	95,621	7,671
M&T Bank Corp.	102,204	16,552	UDR Inc.	196,019	7,639
Northern Trust Corp.	160,575	15,609	Arthur J Gallagher & Co.	132,453	7,583
KeyCorp	806,888	15,121	Duke Realty Corp.	260,358	7,277
Moody's Corp.	119,949	14,595	Ally Financial Inc.	346,516	7,242
Fifth Third Bancorp	554,159	14,386	Affiliated Managers		
Ameriprise Financial Inc.	112,890	14,370	Group Inc.	41,829	6,938
Hartford Financial			MSCI Inc. Class A	66,723	6,872
Services Group Inc.	270,418	14,216	* Liberty Broadband Corp.	78,796	6,836
Boston Properties Inc.	113,537	13,967	Extra Space Storage Inc.	87,514	6,826
Willis Towers Watson plc	95,212	13,850	Federal Realty		
Principal Financial			Investment Trust	53,326	6,740
Group Inc.	212,542	13,618	Western Union Co.	351,370	6,694
Citizens Financial			Regency Centers Corp.	106,027	6,642
Group Inc.	374,992	13,380	Zions Bancorporation	149,099	6,547
Digital Realty Trust Inc.	117,876	13,314	* Alleghany Corp.	10,757	6,398
Regions Financial Corp.	902,219	13,208	Iron Mountain Inc.	185,126	6,361
T. Rowe Price Group Inc.	169,296	12,563	Torchmark Corp.	82,864	6,339
Essex Property Trust Inc.	48,400	12,452	Reinsurance Group		
Equifax Inc.	88,729	12,193	of America Inc. Class A	47,552	6,105
* SBA Communications			Macerich Co.	105,005	6,097
Corp. Class A	89,714	12,102	Nasdaq Inc.	84,891	6,069
Vornado Realty Trust	125,701	11,803	VEREIT Inc.	715,180	5,822
First Republic Bank	115,698	11,581	Everest Re Group Ltd.	22,725	5,786
* IHS Markit Ltd.	255,134	11,236	SEI Investments Co.	105,362	5,666
Lincoln National Corp.	164,707	11,131	AGNC Investment Corp.	260,919	5,555
Realty Income Corp.	201,419	11,114	Camden Property Trust	64,660	5,529
Franklin Resources Inc.	248,072	11,111	Kimco Realty Corp.	295,629	5,425
HCP Inc.	345,614	11,046	CIT Group Inc.	106,479	5,186
Huntington			Voya Financial Inc.	138,618	5,114
Bancshares Inc.	801,899	10,842	WR Berkley Corp.	67,052	4,638
GGP Inc.	454,449	10,707	People's United		
Invesco Ltd.	300,088	10,560	Financial Inc.	251,973	4,450
Host Hotels &			New York Community		
Resorts Inc.	545,637	9,969	Bancorp Inc.	338,574	4,445
Loews Corp.	209,985	9,829	Lazard Ltd. Class A	94,669	4,386
Comerica Inc.	130,524	9,560	Jones Lang LaSalle Inc.	33,033	4,129
* Markel Corp.	9,759	9,523	Axis Capital Holdings Ltd.	63,424	4,101
Annaly Capital			Brixmor Property		
Management Inc.	746,822	8,999	Group Inc.	223,619	3,998
Mid-America Apartment			* Athene Holding Ltd.		
Communities Inc.	83,232	8,771	Class A	76,020	3,771
XL Group Ltd.	194,293	8,510	* SVB Financial Group	19,394	3,409
FNF Group	189,662	8,503	Assurant Inc.	21,231	2,201
* Arch Capital Group Ltd.	90,061	8,402	* Liberty Broadband		
TD Ameritrade Holding			Corp. Class A	18,261	1,567
Corp.	193,767	8,330			

Large-Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Berkshire Hathaway Inc. Class A	6	1,528	* Laboratory Corp. of America Holdings	75,334	11,612
Invitation Homes Inc.	57,089	1,235	Quest Diagnostics Inc.	100,852	11,211
Navient Corp.	60	1	Dentsply Sirona Inc.	169,593	10,996
* Santander Consumer USA Holdings Inc.	21	—	* Henry Schein Inc.	58,499	10,707
		3,060,190	* IDEXX Laboratories Inc.	65,001	10,492
Health Care (13.4%)			* Waters Corp.	56,050	10,304
Johnson & Johnson	1,986,417	262,783	* Centene Corp.	120,800	9,650
Pfizer Inc.	4,400,559	147,815	* Quintiles IMS Holdings Inc.	105,524	9,444
UnitedHealth Group Inc.	710,619	131,763	* Hologic Inc.	206,498	9,371
Merck & Co. Inc.	2,016,844	129,260	Cooper Cos. Inc.	35,899	8,595
Amgen Inc.	542,253	93,392	ResMed Inc.	104,641	8,148
Medtronic plc	1,009,417	89,586	Universal Health Services Inc. Class B	65,620	8,011
AbbVie Inc.	1,173,594	85,097	Perrigo Co. plc	99,807	7,537
* Celgene Corp.	575,757	74,774	* DaVita Inc.	115,381	7,472
Gilead Sciences Inc.	963,573	68,202	* Varian Medical Systems Inc.	68,367	7,055
Bristol-Myers Squibb Co.	1,214,829	67,690	* Alkermes plc	113,026	6,552
Abbott Laboratories	1,279,632	62,203	* Jazz Pharmaceuticals plc	41,674	6,480
Eli Lilly & Co.	732,278	60,267	* Align Technology Inc.	26,605	3,994
Allergan plc	247,675	60,207	* Envision Healthcare Corp.	42,786	2,681
Thermo Fisher Scientific Inc.	289,238	50,463	* TESARO Inc.	13,801	1,930
* Biogen Inc.	156,429	42,449	* Seattle Genetics Inc.	33,894	1,754
Aetna Inc.	244,609	37,139	* Mallinckrodt plc	36,479	1,635
Anthem Inc.	195,457	36,771			2,116,971
Becton Dickinson and Co.	166,773	32,539	Industrials (11.9%)		
Cigna Corp.	188,849	31,611	General Electric Co.	6,403,274	172,952
Stryker Corp.	220,524	30,604	3M Co.	440,410	91,689
* Regeneron Pharmaceuticals Inc.	57,722	28,350	Boeing Co.	422,806	83,610
* Boston Scientific Corp.	1,008,038	27,943	Honeywell International Inc.	562,179	74,933
* Express Scripts Holding Co.	436,822	27,887	United Technologies Corp.	531,940	64,955
Humana Inc.	106,234	25,562	Union Pacific Corp.	596,218	64,934
* Intuitive Surgical Inc.	27,125	25,372	Accenture plc Class A	457,304	56,559
* Vertex Pharmaceuticals Inc.	183,693	23,673	United Parcel Service Inc. Class B	507,910	56,170
Zoetis Inc.	361,969	22,580	Lockheed Martin Corp.	181,424	50,365
Baxter International Inc.	360,838	21,845	Caterpillar Inc.	434,463	46,687
* Alexion Pharmaceuticals Inc.	157,351	19,145	* PayPal Holdings Inc.	840,733	45,122
Zimmer Biomet Holdings Inc.	148,738	19,098	Danaher Corp.	460,815	38,888
* HCA Healthcare Inc.	216,763	18,902	FedEx Corp.	177,476	38,571
* Illumina Inc.	107,742	18,695	General Dynamics Corp.	189,084	37,458
* Edwards Lifesciences Corp.	155,796	18,421	CSX Corp.	646,486	35,272
CR Bard Inc.	53,398	16,880	Raytheon Co.	214,472	34,633
* Incyte Corp.	128,140	16,134	Northrop Grumman Corp.	128,749	33,051
* Mylan NV	374,766	14,548	Automatic Data Processing Inc.	313,469	32,118
* BioMarin Pharmaceutical Inc.	128,721	11,690	Johnson Controls International plc	691,789	29,996
			Illinois Tool Works Inc.	203,853	29,202
			Deere & Co.	234,788	29,017
			Emerson Electric Co.	475,324	28,339

Large-Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Norfolk Southern Corp.	213,726	26,010	* United Rentals Inc.	62,413	7,035
Eaton Corp. plc	329,574	25,651	WV Grainger Inc.	36,977	6,675
Waste Management Inc.	325,896	23,905	* Trimble Inc.	186,533	6,654
Sherwin-Williams Co.	61,698	21,654	Acuity Brands Inc.	32,395	6,585
Fidelity National			Sealed Air Corp.	144,490	6,467
Information Services Inc.	243,869	20,826	* Crown Holdings Inc.	102,710	6,128
TE Connectivity Ltd.	261,811	20,599	JB Hunt Transport		
Cummins Inc.	123,899	20,099	Services Inc.	65,527	5,988
* Fiserv Inc.	157,149	19,226	Wabtec Corp.	63,218	5,784
Roper Technologies Inc.	75,243	17,421	ManpowerGroup Inc.	49,699	5,549
Ingersoll-Rand plc	190,141	17,377	Owens Corning	82,384	5,513
PACCAR Inc.	259,079	17,110	* Sensata Technologies		
Amphenol Corp. Class A	225,395	16,639	Holding NV	125,350	5,355
Parker-Hannifin Corp.	98,289	15,709	* Arrow Electronics Inc.	65,366	5,126
Rockwell Automation Inc.	95,026	15,390	* First Data Corp. Class A	275,992	5,023
Fortive Corp.	230,075	14,575	Jacobs Engineering		
Agilent Technologies Inc.	237,780	14,103	Group Inc.	89,181	4,851
Paychex Inc.	238,455	13,578	* Stericycle Inc.	62,525	4,772
Rockwell Collins Inc.	119,829	12,592	Fluor Corp.	102,212	4,679
Waste Connections Inc.	194,458	12,527	Hubbell Inc. Class B	40,595	4,594
Vulcan Materials Co.	97,064	12,296	Xerox Corp.	157,227	4,517
* Mettler-Toledo			Macquarie Infrastructure		
International Inc.	18,985	11,173	Corp.	57,112	4,478
Republic Services Inc.			Flowserve Corp.	95,298	4,425
Class A	173,945	11,086	Robert Half International		
Ball Corp.	259,068	10,935	Inc.	89,327	4,281
WestRock Co.	185,289	10,499	Allison Transmission		
Martin Marietta			Holdings Inc.	100,679	3,777
Materials Inc.	46,420	10,332	Huntington Ingalls		
AMETEK Inc.	169,705	10,279	Industries Inc.	16,788	3,125
Global Payments Inc.	112,559	10,166	Avnet Inc.	45,998	1,788
Alliance Data Systems			FLIR Systems Inc.	49,660	1,721
Corp.	38,930	9,993			
* FleetCor Technologies Inc.	67,957	9,800			1,883,620
* Verisk Analytics Inc.			Oil & Gas (5.8%)		
Class A	115,641	9,757	Exxon Mobil Corp.	3,124,456	252,237
L3 Technologies Inc.	57,369	9,585	Chevron Corp.	1,397,012	145,750
TransDigm Group Inc.	34,850	9,370	Schlumberger Ltd.	1,024,592	67,459
Fastenal Co.	213,439	9,291	ConocoPhillips	912,239	40,102
Dover Corp.	114,208	9,162	EOG Resources Inc.	425,708	38,535
Masco Corp.	236,562	9,039	Occidental Petroleum		
Textron Inc.	178,498	8,407	Corp.	563,840	33,757
Kansas City Southern	78,375	8,202	Kinder Morgan Inc.	1,399,346	26,812
Pentair plc	121,041	8,054	Phillips 66	322,616	26,677
Cintas Corp.	62,181	7,837	Halliburton Co.	608,038	25,969
* Vantiv Inc. Class A	119,561	7,573	Valero Energy Corp.	330,110	22,269
Expeditors International			Marathon Petroleum		
of Washington Inc.	132,956	7,509	Corp.	386,172	20,208
Fortune Brands Home			Pioneer Natural		
& Security Inc.	113,145	7,382	Resources Co.	125,523	20,031
Xylem Inc.	131,547	7,292	Anadarko Petroleum		
CH Robinson			Corp.	413,276	18,738
Worldwide Inc.	103,784	7,128	Williams Cos. Inc.	609,329	18,451
Total System Services Inc.	121,394	7,071	Baker Hughes Inc.	313,742	17,102

Large-Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Apache Corp.	280,572	13,448	* Autodesk Inc.	154,867	15,614
* Concho Resources Inc.	109,501	13,308	* Cerner Corp.	219,387	14,583
Devon Energy Corp.	368,305	11,775	* ServiceNow Inc.	125,067	13,257
Tesoro Corp.	112,213	10,503	Skyworks Solutions Inc.	136,146	13,063
Hess Corp.	222,798	9,774	Symantec Corp.	454,010	12,826
National Oilwell Varco Inc.	280,324	9,234	* Red Hat Inc.	130,602	12,505
Noble Energy Inc.	322,929	9,139	Microchip Technology Inc.	159,641	12,321
Cabot Oil & Gas Corp.	343,333	8,611	Xilinx Inc.	182,018	11,707
EQT Corp.	127,877	7,492	KLA-Tencor Corp.	115,613	10,580
Marathon Oil Corp.	626,920	7,429	Motorola Solutions Inc.	120,432	10,446
* Cheniere Energy Inc.	149,130	7,264	Harris Corp.	91,364	9,966
Cimarex Energy Co.	69,539	6,537	* Workday Inc. Class A	96,523	9,363
OGE Energy Corp.	146,060	5,081	Maxim Integrated		
Range Resources Corp.	182,047	4,218	Products Inc.	208,453	9,359
Helmerich & Payne Inc.	71,664	3,894	* Dell Technologies Inc.		
Targa Resources Corp.	78,807	3,562	Class V	152,892	9,343
* Antero Resources Corp.	162,022	3,501	* Palo Alto Networks Inc.	64,554	8,638
* Continental Resources Inc.	68,686	2,221	Seagate Technology plc	218,853	8,481
HollyFrontier Corp.	65,256	1,793	* Citrix Systems Inc.	105,632	8,406
* Energen Corp.	35,852	1,770	NetApp Inc.	201,566	8,073
Core Laboratories NV	16,181	1,639	* Synopsys Inc.	110,189	8,036
* Weatherford			CA Inc.	231,194	7,969
International plc	361,626	1,400	Juniper Networks Inc.	281,274	7,842
Murphy Oil Corp.	33	1	*^ Advanced Micro		
		917,691	Devices Inc.	626,109	7,814
Technology (18.4%)			* Gartner Inc.	63,088	7,792
Apple Inc.	3,460,821	498,427	* Twitter Inc.	431,277	7,707
Microsoft Corp.	5,694,079	392,493	* ANSYS Inc.	62,946	7,659
* Facebook Inc. Class A	1,743,726	263,268	CDK Global Inc.	107,128	6,648
* Alphabet Inc. Class A	219,474	204,041	* Akamai Technologies Inc.	120,819	6,018
* Alphabet Inc. Class C	217,461	197,613	* F5 Networks Inc.	47,329	6,014
Intel Corp.	3,472,274	117,154	*^ VeriSign Inc.	64,357	5,983
Cisco Systems Inc.	3,686,916	115,400	* Qorvo Inc.	92,894	5,882
Oracle Corp.	2,275,544	114,096	* Splunk Inc.	102,039	5,805
International Business			Marvell Technology		
Machines Corp.	658,195	101,250	Group Ltd.	279,076	4,610
Broadcom Ltd.	295,952	68,972	LogMeIn Inc.	38,966	4,072
NVIDIA Corp.	416,882	60,264	Garmin Ltd.	69,186	3,531
QUALCOMM Inc.	1,089,522	60,163	* VMware Inc. Class A	39,805	3,480
Texas Instruments Inc.	734,689	56,520	*^ Snap Inc.	175,756	3,123
* Adobe Systems Inc.	364,860	51,606	* Arista Networks Inc.	17,217	2,579
* salesforce.com Inc.	499,099	43,222	* Nuance Communications		
Applied Materials Inc.	796,310	32,896	Inc.	106,763	1,859
Cognizant Technology			* Premier Inc. Class A	37,515	1,350
Solutions Corp. Class A	433,473	28,783			2,902,819
Intuit Inc.	179,591	23,851			
* Micron Technology Inc.	775,039	23,143			
HP Inc.	1,246,870	21,795			
Analog Devices Inc.	269,229	20,946			
Corning Inc.	679,796	20,428			
Hewlett Packard					
Enterprise Co.	1,222,506	20,281			
Western Digital Corp.	214,454	19,001			
Lam Research Corp.	119,289	16,871			
DXC Technology Co.	208,954	16,031			

Large-Cap Index Fund

	Shares	Market Value* (\$000)
Telecommunications (2.2%)		
AT&T Inc.	4,533,358	171,044
Verizon Communications Inc.	3,008,003	134,338
* T-Mobile US Inc.	214,538	13,005
* Level 3 Communications Inc.	213,284	12,648
CenturyLink Inc.	404,787	9,666
* Zayo Group Holdings Inc.	116,604	3,603
* Sprint Corp.	438,292	3,598
		347,902
Utilities (3.1%)		
NextEra Energy Inc.	345,315	48,389
Duke Energy Corp.	516,123	43,143
Dominion Energy Inc.	464,010	35,557
Southern Co.	734,027	35,145
American Electric Power Co. Inc.	362,598	25,190
PG&E Corp.	376,151	24,965
Exelon Corp.	682,704	24,625
Sempra Energy	184,849	20,842
PPL Corp.	502,113	19,412
Edison International	240,261	18,786
Consolidated Edison Inc.	225,221	18,202
Xcel Energy Inc.	374,481	17,181
Public Service Enterprise Group Inc.	373,160	16,050
WEC Energy Group Inc.	232,790	14,289
Eversource Energy	233,733	14,190
DTE Energy Co.	132,326	13,999
American Water Works Co. Inc.	131,498	10,250
Entergy Corp.	132,390	10,163
Ameren Corp.	179,004	9,786
CMS Energy Corp.	206,870	9,568
FirstEnergy Corp.	327,295	9,544
CenterPoint Energy Inc.	301,971	8,268
ONEOK Inc.	155,617	8,117
Pinnacle West Capital Corp.	82,349	7,013
Alliant Energy Corp.	168,085	6,752
SCANA Corp.	94,153	6,309
NiSource Inc.	237,255	6,017
AES Corp.	482,576	5,361
Avangrid Inc.	45,211	1,996
		489,109
Total Common Stocks (Cost \$10,506,615)		15,774,328

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.3%)¹		
Money Market Fund (0.3%)		
^{2,3} Vanguard Market Liquidity Fund, 1.181%	399,248	39,933
	Face Amount (\$000)	
U.S. Government and Agency Obligations (0.0%)		
United States Treasury Bill, 0.927%, 8/24/17	200	200
⁴ United States Treasury Bill, 0.923%, 9/21/17	2,100	2,095
⁴ United States Treasury Bill, 0.980%, 10/5/17	500	499
		2,794
Total Temporary Cash Investments (Cost \$42,724)		42,727
Total Investments (100.1%) (Cost \$10,549,339)		15,817,055
	Amount (\$000)	
Other Assets and Liabilities (-0.1%)		
Other Assets		
Investment in Vanguard		1,025
Receivables for Accrued Income		15,725
Receivables for Capital Shares Issued		6,718
Other Assets		11
Total Other Assets		23,479
Liabilities		
Payables for Investment Securities Purchased		(917)
Collateral for Securities on Loan		(21,877)
Payables for Capital Shares Redeemed		(2,231)
Payables to Vanguard		(5,793)
Other Liabilities		(953)
Total Liabilities		(31,771)
Net Assets (100%)		15,808,763

Large-Cap Index Fund

At June 30, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	10,656,479
Undistributed Net Investment Income	1,017
Accumulated Net Realized Losses	(116,266)
Unrealized Appreciation (Depreciation)	
Investment Securities	5,267,716
Futures Contracts	(183)
Net Assets	15,808,763

Investor Shares—Net Assets

Applicable to 9,936,644 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	445,743
Net Asset Value Per Share— Investor Shares	\$44.86

ETF Shares—Net Assets

Applicable to 87,134,159 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	9,676,444
Net Asset Value Per Share— ETF Shares	\$111.05

Admiral Shares—Net Assets

Applicable to 84,029,203 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,712,808
Net Asset Value Per Share— Admiral Shares	\$56.09

Institutional Shares—Net Assets

Applicable to 4,218,387 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	973,768
Net Asset Value Per Share— Institutional Shares	\$230.84

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$20,999,000.

1 The fund invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the fund's effective common stock and temporary cash investment positions represent 100.0% and 0.1%, respectively, of net assets.

2 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

3 Includes \$21,877,000 of collateral received for securities on loan.

4 Securities with a value of \$1,097,000 have been segregated as initial margin for open futures contracts.

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Operations

Six Months Ended
June 30, 2017

(\$000)

Investment Income	
Income	
Dividends	143,590
Interest ¹	242
Securities Lending—Net	200
Total Income	144,032
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,292
Management and Administrative—Investor Shares	290
Management and Administrative—ETF Shares	1,347
Management and Administrative—Admiral Shares	639
Management and Administrative—Institutional Shares	119
Marketing and Distribution—Investor Shares	40
Marketing and Distribution—ETF Shares	212
Marketing and Distribution—Admiral Shares	179
Marketing and Distribution—Institutional Shares	10
Custodian Fees	122
Shareholders' Reports—Investor Shares	19
Shareholders' Reports—ETF Shares	214
Shareholders' Reports—Admiral Shares	51
Shareholders' Reports—Institutional Shares	—
Trustees' Fees and Expenses	5
Total Expenses	4,539
Net Investment Income	139,493
Realized Net Gain (Loss)	
Investment Securities Sold ¹	172,275
Futures Contracts	4,442
Realized Net Gain (Loss)	176,717
Change in Unrealized Appreciation (Depreciation) of Investment Securities	
Investment Securities	1,027,188
Futures Contracts	—
Change in Unrealized Appreciation (Depreciation)	1,027,188
Net Increase (Decrease) in Net Assets Resulting from Operations	1,343,398

¹ Interest income and realized net gain (loss) from an affiliated company of the fund were \$231,000 and \$2,000, respectively.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2017	Year Ended December 31, 2016
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	139,493	261,672
Realized Net Gain (Loss)	176,717	134,455
Change in Unrealized Appreciation (Depreciation)	1,027,188	1,016,841
Net Increase (Decrease) in Net Assets Resulting from Operations	1,343,398	1,412,968
Distributions		
Net Investment Income		
Investor Shares	(3,588)	(7,448)
ETF Shares	(82,956)	(158,127)
Admiral Shares	(40,392)	(79,259)
Institutional Shares	(8,407)	(17,725)
Realized Capital Gain		
Investor Shares	—	—
ETF Shares	—	—
Admiral Shares	—	—
Institutional Shares	—	—
Total Distributions	(135,343)	(262,559)
Capital Share Transactions		
Investor Shares	10,601	(7,876)
ETF Shares	474,409	1,302,695
Admiral Shares	221,946	257,948
Institutional Shares	(36,934)	63,094
Net Increase (Decrease) from Capital Share Transactions	670,022	1,615,861
Total Increase (Decrease)	1,878,077	2,766,270
Net Assets		
Beginning of Period	13,930,686	11,164,416
End of Period ¹	15,808,763	13,930,686

¹ Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$1,017,000 and (\$3,133,000).

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$41.31	\$37.78	\$38.12	\$34.24	\$26.32	\$23.16
Investment Operations						
Net Investment Income	.378	.768	.702	.624	.556	.521
Net Realized and Unrealized Gain (Loss) on Investments	3.537	3.533	(.348)	3.879	7.921	3.159
Total from Investment Operations	3.915	4.301	.354	4.503	8.477	3.680
Distributions						
Dividends from Net Investment Income	(.365)	(.771)	(.694)	(.623)	(.557)	(.520)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.365)	(.771)	(.694)	(.623)	(.557)	(.520)
Net Asset Value, End of Period	\$44.86	\$41.31	\$37.78	\$38.12	\$34.24	\$26.32
Total Return¹	9.49%	11.50%	0.93%	13.24%	32.45%	15.94%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$446	\$400	\$375	\$399	\$391	\$290
Ratio of Total Expenses to Average Net Assets	0.18%	0.18%	0.20%	0.23%	0.24%	0.24%
Ratio of Net Investment Income to Average Net Assets	1.79%	2.02%	1.86%	1.76%	1.82%	2.08%
Portfolio Turnover Rate ²	4%	5%	4%	3%	9%	8%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

² Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$102.27	\$93.52	\$94.36	\$84.76	\$65.15	\$57.34
Investment Operations						
Net Investment Income	1.001	2.018	1.850	1.672	1.488	1.383
Net Realized and Unrealized Gain (Loss) on Investments	8.750	8.754	(.859)	9.599	19.610	7.807
Total from Investment Operations	9.751	10.772	.991	11.271	21.098	9.190
Distributions						
Dividends from Net Investment Income	(.971)	(2.022)	(1.831)	(1.671)	(1.488)	(1.380)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.971)	(2.022)	(1.831)	(1.671)	(1.488)	(1.380)
Net Asset Value, End of Period	\$111.05	\$102.27	\$93.52	\$94.36	\$84.76	\$65.15
Total Return	9.55%	11.65%	1.07%	13.39%	32.65%	16.09%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$9,676	\$8,468	\$6,469	\$5,619	\$4,707	\$3,577
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.08%	0.09%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.91%	2.14%	1.98%	1.90%	1.97%	2.22%
Portfolio Turnover Rate ¹	4%	5%	4%	3%	9%	8%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$51.65	\$47.23	\$47.65	\$42.81	\$32.90	\$28.96
Investment Operations						
Net Investment Income	.504	1.019	.936	.846	.752	.698
Net Realized and Unrealized Gain (Loss) on Investments	4.425	4.422	(.430)	4.839	9.909	3.939
Total from Investment Operations	4.929	5.441	.506	5.685	10.661	4.637
Distributions						
Dividends from Net Investment Income	(.489)	(1.021)	(.926)	(.845)	(.751)	(.697)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.489)	(1.021)	(.926)	(.845)	(.751)	(.697)
Net Asset Value, End of Period	\$56.09	\$51.65	\$47.23	\$47.65	\$42.81	\$32.90
Total Return¹	9.56%	11.65%	1.07%	13.38%	32.66%	16.06%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,713	\$4,130	\$3,527	\$3,085	\$1,438	\$981
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.08%	0.09%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.91%	2.14%	1.98%	1.90%	1.97%	2.22%
Portfolio Turnover Rate ²	4%	5%	4%	3%	9%	8%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

² Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2017	Year Ended December 31,				
	2017	2016	2015	2014	2013	2012
Net Asset Value, Beginning of Period	\$212.59	\$194.40	\$196.14	\$176.18	\$135.42	\$119.18
Investment Operations						
Net Investment Income	2.093	4.215	3.865	3.492	3.105	2.903
Net Realized and Unrealized Gain (Loss) on Investments	18.186	18.199	(1.781)	19.957	40.761	16.234
Total from Investment Operations	20.279	22.414	2.084	23.449	43.866	19.137
Distributions						
Dividends from Net Investment Income	(2.029)	(4.224)	(3.824)	(3.489)	(3.106)	(2.897)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(2.029)	(4.224)	(3.824)	(3.489)	(3.106)	(2.897)
Net Asset Value, End of Period	\$230.84	\$212.59	\$194.40	\$196.14	\$176.18	\$135.42
Total Return	9.56%	11.66%	1.07%	13.41%	32.65%	16.11%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$974	\$932	\$794	\$857	\$750	\$752
Ratio of Total Expenses to Average Net Assets	0.05%	0.05%	0.07%	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.92%	2.15%	1.99%	1.91%	1.98%	2.24%
Portfolio Turnover Rate ¹	4%	5%	4%	3%	9%	8%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Notes to Financial Statements

Vanguard Large-Cap Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers four classes of shares: Investor Shares, ETF Shares, Admiral Shares, and Institutional Shares. Investor Shares are available to any investor who meets the fund's minimum purchase requirements. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker. Admiral Shares and Institutional Shares are designed for investors who meet certain administrative, service, and account-size criteria.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, enhancing returns, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The fund may seek to enhance returns by using futures contracts instead of the underlying securities when futures are believed to be priced more attractively than the underlying securities. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract.

Futures contracts are valued at their quoted daily settlement prices. The aggregate settlement values of the contracts are not recorded in the Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized futures gains (losses).

During the six months ended June 30, 2017, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of aggregate settlement values at each quarter-end during the period.

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (December 31, 2013–2016), and for the period ended June 30, 2017, and has concluded that no provision for federal income tax is required in the fund's financial statements.

4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date.

5. **Securities Lending:** To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.

6. **Credit Facility:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn amount of the facility; these fees are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at June 30, 2017, or at any time during the period then ended.

7. **Other:** Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, to interest income over the lives of the respective securities. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

Each class of shares has equal rights as to assets and earnings, except that each class separately bears certain class-specific expenses related to maintenance of shareholder accounts (included in Management and Administrative expenses) and shareholder reporting. Marketing and distribution expenses are allocated to each class of shares based on a method approved by the board of trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund's liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2017, the fund had contributed to Vanguard capital in the amount of \$1,025,000, representing 0.01% of the fund's net assets and 0.41% of Vanguard's capitalization. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the fund's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments).

The following table summarizes the market value of the fund's investments as of June 30, 2017, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	15,774,328	—	—
Temporary Cash Investments	39,933	2,794	—
Futures Contracts—Assets ¹	10	—	—
Total	15,814,271	2,794	—

¹ Represents variation margin on the last day of the reporting period.

D. At June 30, 2017, the aggregate settlement value of open futures contracts and the related unrealized appreciation (depreciation) were:

			(\$000)	
Futures Contracts	Expiration	Number of Long (Short) Contracts	Aggregate Settlement Value	Unrealized Appreciation
			Long (Short)	(Depreciation)
E-mini S&P 500 Index	September 2017	220	26,630	(183)

Unrealized appreciation (depreciation) on open futures contracts is required to be treated as realized gain (loss) for tax purposes.

E. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

During the six months ended June 30, 2017, the fund realized \$149,411,000 of net capital gains resulting from in-kind redemptions—in which shareholders exchanged fund shares for securities held by the fund rather than for cash. Because such gains are not taxable to the fund, and are not distributed to shareholders, they have been reclassified from accumulated net realized losses to paid-in capital.

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2016, the fund had available capital losses totaling \$143,755,000 to offset future net capital gains. Of this amount, \$24,177,000 is subject to expiration on December 31, 2018. Capital losses of \$119,578,000 realized beginning in fiscal 2012 may be carried forward indefinitely under the Regulated Investment Company Modernization Act of 2010, but must be used before any expiring loss carryforwards. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2017; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

At June 30, 2017, the cost of investment securities for tax purposes was \$10,549,339,000. Net unrealized appreciation of investment securities for tax purposes was \$5,267,716,000, consisting of unrealized gains of \$5,463,969,000 on securities that had risen in value since their purchase and \$196,253,000 in unrealized losses on securities that had fallen in value since their purchase.

F. During the six months ended June 30, 2017, the fund purchased \$1,182,862,000 of investment securities and sold \$499,802,000 of investment securities, other than temporary cash investments. Purchases and sales include \$619,130,000 and \$237,794,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

G. Capital share transactions for each class of shares were:

	Six Months Ended June 30, 2017		Year Ended December 31, 2016	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	64,446	1,478	101,335	2,631
Issued in Lieu of Cash Distributions	3,469	79	7,219	184
Redeemed	(57,314)	(1,313)	(116,430)	(3,038)
Net Increase (Decrease)—Investor Shares	10,601	244	(7,876)	(223)
ETF Shares				
Issued	634,938	5,809	1,676,305	17,626
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(160,529)	(1,475)	(373,610)	(4,000)
Net Increase (Decrease)—ETF Shares	474,409	4,334	1,302,695	13,626
Admiral Shares				
Issued	541,746	9,937	926,021	19,289
Issued in Lieu of Cash Distributions	33,268	602	65,902	1,340
Redeemed	(353,068)	(6,477)	(733,975)	(15,332)
Net Increase (Decrease)—Admiral Shares	221,946	4,062	257,948	5,297
Institutional Shares				
Issued	100,155	447	182,420	894
Issued in Lieu of Cash Distributions	6,566	29	13,214	65
Redeemed	(143,655)	(639)	(132,540)	(660)
Net Increase (Decrease)—Institutional Shares	(36,934)	(163)	63,094	299

H. Management has determined that no material events or transactions occurred subsequent to June 30, 2017, that would require recognition or disclosure in these financial statements.

About Your Fund’s Expenses

As a shareholder of the fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund’s gross income, directly reduce the investment return of the fund.

A fund’s expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your fund’s costs in two ways:

- **Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The “Ending Account Value” shown is derived from the fund’s actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund under the heading “Expenses Paid During Period.”

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your fund’s costs with those of other mutual funds. It assumes that the fund had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the fund’s actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund’s costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the fund for buying and selling securities. Further, the expenses do not include any purchase, redemption, or account service fees described in the fund prospectus. If such fees were applied to your account, your costs would be higher. Your fund does not carry a “sales load.”

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the fund’s expenses, including annual expense ratios, in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your fund’s current prospectus.

Six Months Ended June 30, 2017

	Beginning Account Value 12/31/2016	Ending Account Value 6/30/2017	Expenses Paid During Period
Based on Actual Fund Return			
Growth Index Fund			
Investor Shares	\$1,000.00	\$1,146.74	\$0.96
ETF Shares	1,000.00	1,147.55	0.32
Admiral Shares	1,000.00	1,147.47	0.32
Institutional Shares	1,000.00	1,147.50	0.27
Value Index Fund			
Investor Shares	\$1,000.00	\$1,050.69	\$0.92
ETF Shares	1,000.00	1,051.47	0.31
Admiral Shares	1,000.00	1,051.35	0.31
Institutional Shares	1,000.00	1,051.41	0.25
Large-Cap Index Fund			
Investor Shares	\$1,000.00	\$1,094.93	\$0.93
ETF Shares	1,000.00	1,095.52	0.31
Admiral Shares	1,000.00	1,095.60	0.31
Institutional Shares	1,000.00	1,095.56	0.26

Six Months Ended June 30, 2017

	Beginning Account Value 12/31/2016	Ending Account Value 6/30/2017	Expenses Paid During Period
Based on Hypothetical 5% Yearly Return			
Growth Index Fund			
Investor Shares	\$1,000.00	\$1,023.90	\$0.90
ETF Shares	1,000.00	1,024.50	0.30
Admiral Shares	1,000.00	1,024.50	0.30
Institutional Shares	1,000.00	1,024.55	0.25
Value Index Fund			
Investor Shares	\$1,000.00	\$1,023.90	\$0.90
ETF Shares	1,000.00	1,024.50	0.30
Admiral Shares	1,000.00	1,024.50	0.30
Institutional Shares	1,000.00	1,024.55	0.25
Large-Cap Index Fund			
Investor Shares	\$1,000.00	\$1,023.90	\$0.90
ETF Shares	1,000.00	1,024.50	0.30
Admiral Shares	1,000.00	1,024.50	0.30
Institutional Shares	1,000.00	1,024.55	0.25

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Growth Index Fund, 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares; for the Value Index Fund, 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares; and for the Large-Cap Index Fund, 0.18% for Investor Shares, 0.06% for ETF Shares, 0.06% for Admiral Shares, and 0.05% for Institutional Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Growth Index Fund, Vanguard Value Index Fund, and Vanguard Large-Cap Index Fund has renewed each fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing each fund's internalized management structure was in the best interests of each fund and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of each fund's investment management services over both the short and long term and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than three decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of each advisory arrangement.

Investment performance

The board considered the short- and long-term performance of each fund, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that each advisory arrangement should continue. Information about each fund's most recent performance can be found on the Performance Summary pages of this report.

Cost

The board concluded that each fund's expense ratio was well below the average expense ratio charged by funds in its peer group and that each fund's advisory expenses were also well below its peer-group average. Information about the funds' expenses appears in the About Your Fund's Expenses section of this report as well as in the Financial Statements sections.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique "at-cost" structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees and produces "profits" only in the form of reduced expenses for fund shareholders.

The benefit of economies of scale

The board concluded that the funds' at-cost arrangements with Vanguard ensure that the funds will realize economies of scale as they grow, with the cost to shareholders declining as fund assets increase.

The board will consider whether to renew the advisory arrangements again after a one-year period.

Glossary

30-Day SEC Yield. A fund's 30-day SEC yield is derived using a formula specified by the U.S. Securities and Exchange Commission. Under the formula, data related to the fund's security holdings in the previous 30 days are used to calculate the fund's hypothetical net income for that period, which is then annualized and divided by the fund's estimated average net assets over the calculation period. For the purposes of this calculation, a security's income is based on its current market yield to maturity (for bonds), its actual income (for asset-backed securities), or its projected dividend yield (for stocks). Because the SEC yield represents hypothetical annualized income, it will differ—at times significantly—from the fund's actual experience. As a result, the fund's income distributions may be higher or lower than implied by the SEC yield.

Beta. A measure of the magnitude of a fund's past share-price fluctuations in relation to the ups and downs of a given market index. The index is assigned a beta of 1.00. Compared with a given index, a fund with a beta of 1.20 typically would have seen its share price rise or fall by 12% when the index rose or fell by 10%. For this report, beta is based on returns over the past 36 months for both the fund and the index. Note that a fund's beta should be reviewed in conjunction with its R-squared (see definition). The lower the R-squared, the less correlation there is between the fund and the index, and the less reliable beta is as an indicator of volatility.

Dividend Yield. Dividend income earned by stocks, expressed as a percentage of the aggregate market value (or of net asset value, for a fund). The yield is determined by dividing the amount of the annual dividends by the aggregate value (or net asset value) at the end of the period. For a fund, the dividend yield is based solely on stock holdings and does not include any income produced by other investments.

Earnings Growth Rate. The average annual rate of growth in earnings over the past five years for the stocks now in a fund.

Equity Exposure. A measure that reflects a fund's investments in stocks and stock futures. Any holdings in short-term reserves are excluded.

Expense Ratio. A fund's total annual operating expenses expressed as a percentage of the fund's average net assets. The expense ratio includes management and administrative expenses, but does not include the transaction costs of buying and selling portfolio securities.

Foreign Holdings. The percentage of a fund represented by securities or depositary receipts of companies based outside the United States.

Inception Date. The date on which the assets of a fund (or one of its share classes) are first invested in accordance with the fund's investment objective. For funds with a subscription period, the inception date is the day after that period ends. Investment performance is measured from the inception date.

Median Market Cap. An indicator of the size of companies in which a fund invests; the midpoint of market capitalization (market price x shares outstanding) of a fund's stocks, weighted by the proportion of the fund's assets invested in each stock. Stocks representing half of the fund's assets have market capitalizations above the median, and the rest are below it.

Price/Book Ratio. The share price of a stock divided by its net worth, or book value, per share. For a fund, the weighted average price/book ratio of the stocks it holds.

Price/Earnings Ratio. The ratio of a stock's current price to its per-share earnings over the past year. For a fund, the weighted average P/E of the stocks it holds. P/E is an indicator of market expectations about corporate prospects; the higher the P/E, the greater the expectations for a company's future growth.

R-Squared. A measure of how much of a fund's past returns can be explained by the returns from the market in general, as measured by a given index. If a fund's total returns were precisely synchronized with an index's returns, its R-squared would be 1.00. If the fund's returns bore no relationship to the index's returns, its R-squared would be 0. For this report, R-squared is based on returns over the past 36 months for both the fund and the index.

Return on Equity. The annual average rate of return generated by a company during the past five years for each dollar of shareholder's equity (net income divided by shareholder's equity). For a fund, the weighted average return on equity for the companies whose stocks it holds.

Short-Term Reserves. The percentage of a fund invested in highly liquid, short-term securities that can be readily converted to cash.

Turnover Rate. An indication of the fund's trading activity. Funds with high turnover rates incur higher transaction costs and may be more likely to distribute capital gains (which may be taxable to investors). The turnover rate excludes in-kind transactions, which have minimal impact on costs.

Benchmark Information

Spliced Growth Index: S&P 500 Growth Index (formerly known as the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.

Spliced Large Cap Index: MSCI US Prime Market 750 Index through January 30, 2013; CRSP US Large Cap Index thereafter.

Spliced Value Index: S&P 500 Value Index (formerly known as the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.

The People Who Govern Your Fund

The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them on an at-cost basis.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 197 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at vanguard.com.

Interested Trustee¹

F. William McNabb III

Born 1957. Trustee Since July 2009. Chairman of the Board. Principal Occupation(s) During the Past Five Years and Other Experience: Chairman of the Board of The Vanguard Group, Inc., and of each of the investment companies served by The Vanguard Group, since January 2010; Director of The Vanguard Group since 2008; Chief Executive Officer and President of The Vanguard Group, and of each of the investment companies served by The Vanguard Group, since 2008; Director of Vanguard Marketing Corporation; Managing Director of The Vanguard Group (1995–2008).

Independent Trustees

Emerson U. Fullwood

Born 1948. Trustee Since January 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Executive Chief Staff and Marketing Officer for North America and Corporate Vice President (retired 2008) of Xerox Corporation (document management products and services); Executive in Residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology; Lead Director of SPX FLOW, Inc. (multi-industry manufacturing); Director of the United Way of Rochester, the University of Rochester Medical Center, Monroe Community College Foundation, North Carolina A&T University, and Roberts Wesleyan College; Trustee of the University of Rochester.

Rajiv L. Gupta

Born 1945. Trustee Since December 2001.² Principal Occupation(s) During the Past Five Years and Other Experience: Chairman and Chief Executive Officer (retired 2009) and President (2006–2008) of Rohm and Haas Co. (chemicals); Director of Arconic Inc.

(diversified manufacturer), HP Inc. (printer and personal computer manufacturing), and Delphi Automotive plc (automotive components); Senior Advisor at New Mountain Capital.

Amy Gutmann

Born 1949. Trustee Since June 2006. Principal Occupation(s) During the Past Five Years and Other Experience: President of the University of Pennsylvania; Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and Professor of Communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania; Trustee of the National Constitution Center.

JoAnn Heffernan Heisen

Born 1950. Trustee Since July 1998. Principal Occupation(s) During the Past Five Years and Other Experience: Corporate Vice President and Member of the Executive Committee (1997–2008), Chief Global Diversity Officer (retired 2008), Vice President and Chief Information Officer (1997–2006), Controller (1995–1997), Treasurer (1991–1995), and Assistant Treasurer (1989–1991) of Johnson & Johnson (pharmaceuticals/medical devices/consumer products); Director of Skytop Lodge Corporation (hotels) and the Robert Wood Johnson Foundation; Member of the Advisory Board of the Institute for Women's Leadership at Rutgers University.

F. Joseph Loughrey

Born 1949. Trustee Since October 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2009) of Cummins Inc. (industrial machinery); Chairman of the Board of Hillenbrand, Inc. (specialized consumer services), Oxfam America, and the Lumina

Foundation for Education; Director of the V Foundation for Cancer Research; Member of the Advisory Council for the College of Arts and Letters and Chair of the Advisory Board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

Mark Loughridge

Born 1953. Trustee Since March 2012. Principal Occupation(s) During the Past Five Years and Other Experience: Senior Vice President and Chief Financial Officer (retired 2013) at IBM (information technology services); Fiduciary Member of IBM's Retirement Plan Committee (2004–2013); Director of the Dow Chemical Company; Member of the Council on Chicago Booth.

Scott C. Malpass

Born 1962. Trustee Since March 2012. Principal Occupation(s) During the Past Five Years and Other Experience: Chief Investment Officer and Vice President at the University of Notre Dame; Assistant Professor of Finance at the Mendoza College of Business at Notre Dame; Member of the Notre Dame 403(b) Investment Committee, the Board of Advisors for Spruceview Capital Partners, the Board of Catholic Investment Services, Inc. (investment advisor), and the Board of Superintendence of the Institute for the Works of Religion; Chairman of the Board of TIFF Advisory Services, Inc. (investment advisor).

André F. Perold

Born 1952. Trustee Since December 2004. Principal Occupation(s) During the Past Five Years and Other Experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011); Chief Investment Officer and Co-Managing Partner of HighVista Strategies LLC (private investment firm); Overseer of the Museum of Fine Arts Boston.

Peter F. Volanakis

Born 1955. Trustee Since July 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2010) of Corning Incorporated (communications equipment); Chairman of the Board of Trustees of Colby-Sawyer College; Member of the Board of Hypertherm, Inc. (industrial cutting systems, software, and consumables).

Executive Officers

Glenn Booraem

Born 1967. Investment Stewardship Officer Since February 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Treasurer (2015–2017), Controller (2010–2015), and Assistant Controller (2001–2010) of each of the investment companies served by The Vanguard Group.

Thomas J. Higgins

Born 1957. Chief Financial Officer Since September 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Chief Financial Officer of each of the investment companies served by The Vanguard Group; Treasurer of each of the investment companies served by The Vanguard Group (1998–2008).

Peter Mahoney

Born 1974. Controller Since May 2015. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Controller of each of the investment companies served by The Vanguard Group; Head of International Fund Services at The Vanguard Group (2008–2014).

Anne E. Robinson

Born 1970. Secretary Since September 2016. Principal Occupation(s) During the Past Five Years and Other Experience: Managing Director of The Vanguard Group, Inc.; General Counsel of The Vanguard Group; Secretary of The Vanguard Group and of each of the investment companies served by The Vanguard Group; Director and Senior Vice President of Vanguard Marketing Corporation; Managing Director and General Counsel of Global Cards and Consumer Services at Citigroup (2014–2016); Counsel at American Express (2003–2014).

Michael Rollings

Born 1963. Treasurer Since February 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Managing Director of The Vanguard Group, Inc.; Treasurer of each of the investment companies served by The Vanguard Group; Director of Vanguard Marketing Corporation; Executive Vice President and Chief Financial Officer of MassMutual Financial Group (2006–2016).

Vanguard Senior Management Team

Mortimer J. Buckley

John James

Martha G. King

John T. Marcante

Chris D. McIsaac

James M. Norris

Thomas M. Rampulla

Glenn W. Reed

Karin A. Risi

Chairman Emeritus and Senior Advisor

John J. Brennan

Chairman, 1996–2009

Chief Executive Officer and President, 1996–2008

Founder

John C. Bogle

Chairman and Chief Executive Officer, 1974–1996

1 Mr. McNabb is considered an "interested person," as defined in the Investment Company Act of 1940, because he is an officer of the Vanguard funds.

2 December 2002 for Vanguard Equity Income Fund, the Vanguard Municipal Bond Funds, and the Vanguard State Tax-Exempt Funds.



Vanguard®

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All comparative mutual fund data are from Lipper, a Thomson Reuters Company, or Morningstar, Inc., unless otherwise noted.

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or sec.gov.

You can review and copy information about your fund at the SEC's Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at 202-551-8090. Information about your fund is also available on the SEC's website, and you can receive copies of this information, for a fee, by sending a request in either of two ways: via email addressed to publicinfo@sec.gov or via regular mail addressed to the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-1520.

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