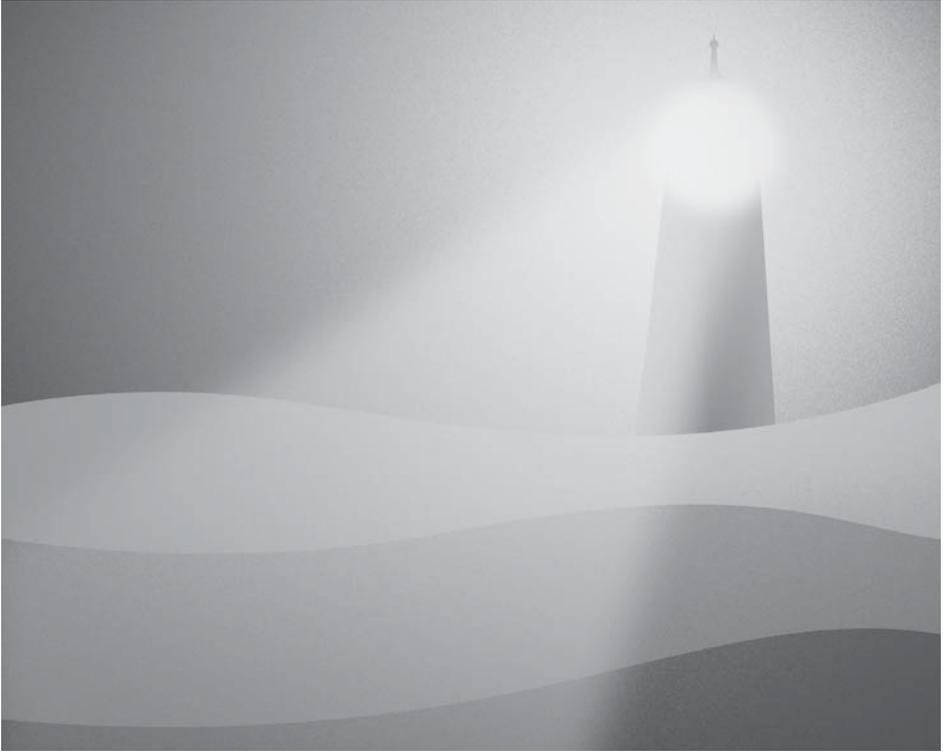




**Vanguard®**



**Annual Report** | December 31, 2017

# Vanguard 500 Index Fund

# Vanguard's Principles for Investing Success

We want to give you the best chance of investment success. These principles, grounded in Vanguard's research and experience, can put you on the right path.

**Goals.** Create clear, appropriate investment goals.

**Balance.** Develop a suitable asset allocation using broadly diversified funds.

**Cost.** Minimize cost.

**Discipline.** Maintain perspective and long-term discipline.

A single theme unites these principles: Focus on the things you can control. We believe there is no wiser course for any investor.

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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:** Nautical images have been part of Vanguard's rich heritage since its start in 1975. For an incoming ship, a lighthouse offers a beacon and safe path to shore. You can similarly depend on Vanguard to put you first—and light the way—as you strive to meet your financial goals. Our client focus and low costs, stemming from our unique ownership structure, assure that your interests are paramount.

## Your Fund's Performance at a Glance

- U.S. stocks hit record highs in 2017 as investors welcomed tax legislation, strong corporate profits, low unemployment, and solid economic growth.
- In this environment, Vanguard 500 Index Fund returned nearly 22% for the 12 months ended December 31, 2017, closely tracking its target index, the Standard & Poor's 500 Index. The fund, which provides exposure to the stocks of the largest U.S. companies, outpaced the average return of peer funds.
- Among sectors, information technology, health care, and financial stocks were strong performers. Telecommunication services and energy stocks notched modestly negative returns.
- For the ten years ended December 31, the 500 Index Fund recorded an average annual return of 8.37% for Investor Shares, closely tracking its target index. The fund's return was more than a percentage point better than the average annual return of peer funds.

### Total Returns: Fiscal Year Ended December 31, 2017

	Total Returns
Vanguard 500 Index Fund	
Investor Shares	21.67%
ETF Shares	
Market Price	21.74
Net Asset Value	21.78
Admiral™ Shares	21.79
Institutional Select Shares	21.83
S&P 500 Index	21.83
Large-Cap Core Funds Average	20.42

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 Select 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](http://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.

## Total Returns: Ten Years Ended December 31, 2017

	Average Annual Return
500 Index Fund Investor Shares	8.37%
S&P 500 Index	8.50
Large-Cap Core Funds Average	7.03

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

The figures shown represent past performance, which is not a guarantee of future results. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).) 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.

## Expense Ratios

Your Fund Compared With Its Peer Group

	Investor Shares	ETF Shares	Admiral Shares	Institutional Select Shares	Peer Group Average
500 Index Fund	0.14%	0.04%	0.04%	0.01%	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 fiscal year ended December 31, 2017, the fund's expense ratios were 0.14% for Investor Shares, 0.04% for ETF Shares, 0.04% for Admiral Shares, and 0.01% for Institutional Select Shares. The peer-group expense ratio is derived from data provided by Lipper, a Thomson Reuters Company, and captures information through year-end 2016.

Peer group: Large-Cap Core Funds.

# Chairman's Perspective



**Bill McNabb**  
Chairman

Dear Shareholder,

Lately I've been asked a lot about my legacy. And candidly, that phrase bugs me—it isn't my legacy. Vanguard's success is a result of thousands of my colleagues committing to a clear mission: helping investors achieve their financial goals.

The reason the topic has come up is that on December 31, 2017, I officially stepped down as Vanguard's CEO after almost a decade in that role. I'll remain chairman for a period to be determined by the board of directors. Tim Buckley, who was previously Vanguard's president and chief investment officer, was elected CEO. I can't think of a better successor.

I've spent 32 years at Vanguard—almost my entire professional life—and during that time I've had the good fortune of working with smart, principled colleagues from across the world. I've learned from each of them.

In particular, I would like to thank Jack Bogle, our founder, who took a chance on me when I was a young business school graduate, and Jack Brennan, my predecessor as CEO, who constantly challenged me with new roles and responsibilities.

When you're just starting out, there is nothing quite like getting votes of confidence from people you respect.

## The short list

A milestone like this naturally brings about some reflection. With that in mind, here's a tally—by no means exhaustive—of the accomplishments that we at Vanguard are proud of:

**Low costs.** Over the last decade, we cut our average asset-weighted expense ratio by about 50%.<sup>1</sup> This isn't a result of some contrived price war. Since its founding, Vanguard has emphasized the benefits

of low-cost investing. As Jack Bogle once said: "The honest steward who charges least, wins most. But not for himself; for those investors who entrust their assets to his care. It is not all that complicated."

**Global diversification.** Through our thought leadership and investment options, such as our target-date funds, Vanguard has encouraged clients to obtain exposure to international markets.

Global diversification isn't just about helping to control risk—it can also be a way of expanding your set of opportunities and harnessing the potential of all markets.

## Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2017		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	21.69%	11.23%	15.71%
Russell 2000 Index (Small-caps)	14.65	9.96	14.12
Russell 3000 Index (Broad U.S. market)	21.13	11.12	15.58
FTSE All-World ex US Index (International)	27.11	8.27	7.19
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	3.54%	2.24%	2.10%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	5.45	2.98	3.02
Citigroup Three-Month U.S. Treasury Bill Index	0.84	0.37	0.23
<b>CPI</b>			
Consumer Price Index	2.11%	1.64%	1.43%

<sup>1</sup> Source: Vanguard calculation, based on data from Morningstar, Inc., as of December 31, 2016.

I've been glad to see more and more clients embracing global diversification. I believe this trend will continue as Vanguard's way of investing takes hold in international markets.

**Affordable advice.** In the wake of the 2008–2009 Global Financial Crisis, we began working on a new advice model. In 2015, we launched Vanguard Personal Advisor Services®, a hybrid advice offering that delivers value through a combination of a professional advisor and powerful digital technology at a competitive price.

Across the industry, we've seen the cost of providing advice coming down. Traditional advisors are embracing low-cost investments, and that, in turn, helps them reduce costs for their own clients. This is a trend that all of us at Vanguard would like to see continue.

**Great people.** I've interacted with hundreds of companies of all sizes and in all industries, and the one quality that sets Vanguard apart from most of them is our emphasis on people. It's a testament to our culture that colleagues spend 15, 20, or, as in my case, more than 30 years of their professional lives here. Investors benefit because we have consistent, experienced fund management teams and a deep bench of talent that ensures that things go smoothly when it's time for a transition.

We've done a great job attracting new talent, too. We made some notable additions to senior management in the last two years, and we're continuously grooming our next generation of leaders.

### **Ready for what comes next**

When I was contemplating coming to work at Vanguard, I sat down with my rowing coach at his home in Philadelphia. Over cheesesteaks, he told me that the most important thing was to work for a company that had the same values I held deeply. He was like a second father to me, so I trusted his judgment at a time when I wasn't so sure about my own. Back then, I never could have anticipated the success Vanguard would have in the coming decades.

I'm no better at predicting the future now. Vanguard has enjoyed significant growth in the last few years, and that presents its own unique set of challenges and opportunities, such as the role we're playing in advocating for better corporate governance among companies our funds invest in. And the asset management industry is confronting significant changes brought on by technology, shifting demographics, and new regulations.

Although the future is uncertain, I'm confident that Vanguard is well-prepared to tackle whatever comes its way. And one thing I'm sure of: There are big parts of the world that would be well-served by our way of investing.

It's humbling to think about the impact the work we do at Vanguard has on clients who are trying to raise a family, buy a first home, save for college, or prepare for retirement. I've always tried to make decisions with investors' best interests in mind. It has been a privilege working with people who hold to that same ideal.

Thank you for entrusting us with your assets.

Sincerely,

A handwritten signature in black ink that reads "F. William McNabb III". The signature is written in a cursive style with a large, sweeping initial "F" and a stylized "III" at the end.

F. William McNabb III  
Chairman  
January 1, 2018

## Results of Proxy Voting

At a special meeting of shareholders on November 15, 2017, fund shareholders approved the following proposals:

### Proposal 1—Elect trustees for the fund.\*

The individuals listed in the table below were elected as trustees for the fund. All trustees with the exception of Ms. Mulligan, Ms. Raskin, and Mr. Buckley (each of whom already serves as a director of The Vanguard Group, Inc.) served as trustees to the funds prior to the shareholder meeting.

Trustee	For	Withheld	Percentage For
Mortimer J. Buckley	10,555,505,764	302,858,072	97.2%
Emerson U. Fullwood	10,550,271,249	308,092,588	97.2%
Amy Gutmann	10,549,661,393	308,702,444	97.2%
JoAnn Heffernan Heisen	10,561,362,394	297,001,443	97.3%
F. Joseph Loughrey	10,550,135,548	308,228,289	97.2%
Mark Loughridge	10,554,054,699	304,309,138	97.2%
Scott C. Malpass	10,546,031,165	312,332,672	97.1%
F. William McNabb III	10,544,013,615	314,350,222	97.1%
Deanna Mulligan	10,560,536,084	297,827,753	97.3%
André F. Perold	10,509,222,915	349,140,922	96.8%
Sarah Bloom Raskin	10,554,241,538	304,122,299	97.2%
Peter F. Volanakis	10,551,315,296	307,048,541	97.2%

\* Results are for all funds within the same trust.

### Proposal 2—Approve a manager-of-managers arrangement with third-party investment advisors.

This arrangement enables the fund to enter into and materially amend investment advisory arrangements with third-party investment advisors, subject to the approval of the fund's board of trustees and certain conditions imposed by the Securities and Exchange Commission, while avoiding the costs and delays associated with obtaining future shareholder approval.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
500 Index Fund	896,264,163	41,278,171	41,515,030	154,428,376	79.1%

**Proposal 3—Approve a manager-of-managers arrangement with wholly owned subsidiaries of Vanguard.**

This arrangement enables Vanguard or the fund to enter into and materially amend investment advisory arrangements with wholly owned subsidiaries of Vanguard, subject to the approval of the fund's board of trustees and any conditions imposed by the Securities and Exchange Commission (SEC), while avoiding the costs and delays associated with obtaining future shareholder approval. The ability of the fund to operate in this manner is contingent upon the SEC's approval of a pending application for an order of exemption.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
500 Index Fund	905,109,429	39,620,007	34,327,928	154,428,376	79.9%

Fund shareholders did not approve the following proposal:

**Proposal 7—Institute transparent procedures to avoid holding investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights. Such procedures may include time-limited engagement with problem companies if management believes that their behavior can be changed.**

The trustees recommended a vote against the proposal for the following reasons: (1) Vanguard is fully compliant with all applicable U.S. laws and regulations that prohibit the investment in any company owned or controlled by the government of Sudan; (2) the addition of further investment constraints is not in fund shareholders' best interests if those constraints are unrelated to a fund's stated investment objective, policies, and strategies; and (3) divestment is an ineffective means to implement social change as it often puts the shares into the hands of another owner with no direct impact to the company's capitalization.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
500 Index Fund	172,217,294	49,780,031	757,060,039	154,428,376	15.2%

# 500 Index Fund

## Fund Profile

As of December 31, 2017

### Share-Class Characteristics

	Investor Shares	ETF Shares	Admiral Shares	Institutional Select Shares
Ticker Symbol	VFINX	VOO	VFIAX	VFFSX
Expense Ratio <sup>1</sup>	0.14%	0.04%	0.04%	0.01%
30-Day SEC Yield	1.77%	1.87%	1.86%	1.89%

### Portfolio Characteristics

	Fund	S&P 500 Index	DJ U.S. Total Market FA Index
Number of Stocks	506	505	3,775
Median Market Cap	\$94.4B	\$94.4B	\$66.8B
Price/Earnings Ratio	23.2x	23.2x	22.8x
Price/Book Ratio	3.2x	3.2x	3.0x
Return on Equity	16.0%	16.0%	15.1%
Earnings Growth Rate	9.6%	9.6%	9.9%
Dividend Yield	1.8%	1.8%	1.7%
Foreign Holdings	0.0%	0.0%	0.0%
Turnover Rate	3%	—	—
Short-Term Reserves	0.0%	—	—

### Sector Diversification (% of equity exposure)

	Fund	S&P 500 Index	DJ U.S. Total Market FA Index
Consumer Discretionary	12.2%	12.2%	12.6%
Consumer Staples	8.2	8.2	7.3
Energy	6.1	6.1	5.8
Financials	14.8	14.8	15.1
Health Care	13.8	13.8	13.3
Industrials	10.2	10.2	10.9
Information Technology	23.8	23.8	22.8
Materials	3.0	3.0	3.4
Real Estate	2.9	2.9	3.9
Telecommunication Services	2.1	2.1	1.9
Utilities	2.9	2.9	3.0

Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

### Volatility Measures

	S&P 500 Index	DJ U.S. Total Market FA Index
R-Squared	1.00	0.99
Beta	1.00	0.98

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

<sup>1</sup> The expense ratios shown are from the prospectus dated April 27, 2017, and represent estimated costs for the current fiscal year. For the fiscal year ended December 31, 2017, the expense ratios were 0.14% for Investor Shares, 0.04% for ETF Shares, 0.04% for Admiral Shares, and 0.01% for Institutional Select Shares.

**Ten Largest Holdings (% of total net assets)**

Apple Inc.	Technology Hardware, Storage & Peripherals	3.8%
Microsoft Corp.	Systems Software	2.9
Alphabet Inc.	Internet Software & Services	2.7
Amazon.com Inc.	Internet & Direct Marketing Retail	2.0
Facebook Inc.	Internet Software & Services	1.8
Berkshire Hathaway Inc.	Multi-Sector Holdings	1.7
Johnson & Johnson	Pharmaceuticals	1.6
JPMorgan Chase & Co.	Diversified Banks	1.6
Exxon Mobil Corp.	Integrated Oil & Gas	1.5
Bank of America Corp.	Diversified Banks	1.3
Top Ten		20.9%

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

**Investment Focus**

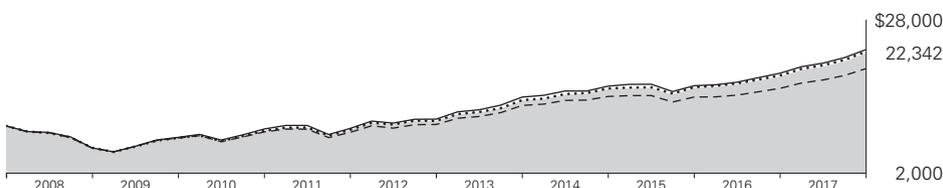
Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

## 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](http://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.

### Cumulative Performance: December 31, 2007, Through December 31, 2017

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended December 31, 2017			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
500 Index Fund Investor Shares	21.67%	15.62%	8.37%	\$22,342
S&P 500 Index	21.83	15.79	8.50	22,603
Large-Cap Core Funds Average	20.42	13.98	7.03	19,720
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.16	15.52	8.66	22,948

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

	One Year	Five Years	Since Inception (9/7/2010)	Final Value of a \$10,000 Investment
500 Index Fund ETF Shares Net Asset Value	21.78%	15.75%	15.40%	\$28,508
S&P 500 Index	21.83	15.79	15.44	28,578
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.16	15.52	15.33	28,389

\*"Since Inception" performance is calculated from the ETF Shares' inception date for both the fund and its comparative standards.

See Financial Highlights for dividend and capital gains information.

## 500 Index Fund

### Average Annual Total Returns Periods Ended December 31, 2017

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
500 Index Fund Admiral Shares	21.79%	15.75%	8.49%	\$22,586
S&P 500 Index	21.83	15.79	8.50	22,603
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.16	15.52	8.66	22,948

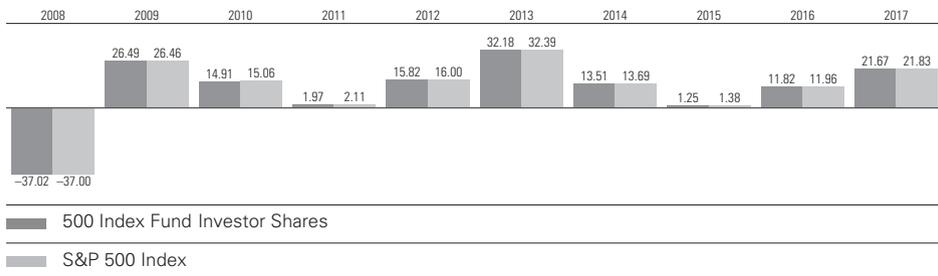
	One Year	Since Inception (6/24/2016)	Final Value of a \$5,000,000,000 Investment
500 Index Fund Institutional Select Shares	21.83%	22.07%	\$6,769,029,782
S&P 500 Index	21.83	22.06	6,768,592,454
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.16	22.23	6,782,952,894

"Since Inception" performance is calculated from the Institutional Select Shares' inception date for both the fund and its comparative standards.

### Cumulative Returns of ETF Shares: September 7, 2010, Through December 31, 2017

	One Year	Five Years	Since Inception (9/7/2010)
500 Index Fund ETF Shares Market Price	21.74%	107.78%	185.19%
500 Index Fund ETF Shares Net Asset Value	21.78	107.75	185.08
S&P 500 Index	21.83	108.14	185.78

### Fiscal-Year Total Returns (%): December 31, 2007, Through December 31, 2017



# Financial Statements

## Statement of Net Assets

As of December 31, 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)
<b>Common Stocks (99.5%)<sup>1</sup></b>			Best Buy Co. Inc.	4,345,199	297,516
<b>Consumer Discretionary (12.2%)</b>			MGM Resorts International	8,704,912	290,657
* Amazon.com Inc.	6,834,188	7,992,378	Omnicom Group Inc.	3,938,976	286,876
Home Depot Inc.	19,953,673	3,781,820	Hilton Worldwide Holdings Inc.	3,454,915	275,910
Comcast Corp. Class A	79,701,872	3,192,060	Newell Brands Inc.	8,374,700	258,778
Walt Disney Co.	25,806,456	2,774,452	Twenty-First Century Fox Inc.	7,497,428	255,812
McDonald's Corp.	13,622,029	2,344,624	L Brands Inc.	4,218,693	254,050
* Priceline Group Inc.	833,321	1,448,095	Expedia Inc.	2,100,605	251,589
* Netflix Inc.	7,394,298	1,419,409	Genuine Parts Co.	2,505,448	238,043
NIKE Inc. Class B	22,450,703	1,404,291	Wynn Resorts Ltd.	1,370,038	230,975
Starbucks Corp.	24,312,113	1,396,245	* Ulta Beauty Inc.	997,210	223,036
Lowe's Cos. Inc.	14,230,150	1,322,550	Lennar Corp. Class A	3,439,839	217,535
Time Warner Inc.	13,304,244	1,216,939	Tapestry Inc.	4,860,220	214,968
* Charter Communications Inc. Class A	3,313,546	1,113,219	* LKQ Corp.	5,280,721	214,767
General Motors Co.	21,840,682	895,250	Whirlpool Corp.	1,228,342	207,148
Ford Motor Co.	66,657,073	832,547	Darden Restaurants Inc.	2,113,791	202,966
TJX Cos. Inc.	10,871,102	831,204	Wyndham Worldwide Corp.	1,731,875	200,672
Marriott International Inc. Class A	5,233,074	710,285	* CarMax Inc.	3,116,531	199,863
Twenty-First Century Fox Inc. Class A	18,017,487	622,144	* DISH Network Corp. Class A	3,896,447	186,055
Target Corp.	9,287,079	605,982	Viacom Inc. Class B	6,031,672	185,836
Ross Stores Inc.	6,588,547	528,731	PVH Corp.	1,323,653	181,618
Yum! Brands Inc.	5,758,743	469,971	Tiffany & Co.	1,745,506	181,445
Carnival Corp.	6,969,362	462,557	Hasbro Inc.	1,935,780	175,943
* Dollar Tree Inc.	4,051,995	434,820	BorgWarner Inc.	3,387,785	173,082
VF Corp.	5,605,792	414,829	* Michael Kors Holdings Ltd.	2,597,147	163,490
Dollar General Corp.	4,452,531	414,130	* Norwegian Cruise Line Holdings Ltd.	3,043,464	162,064
* Aptiv plc	4,540,717	385,189	Tractor Supply Co.	2,145,060	160,343
CBS Corp. Class B	6,193,400	365,411	Kohl's Corp.	2,879,631	156,162
* O'Reilly Automotive Inc.	1,452,408	349,362	PulteGroup Inc.	4,621,441	153,663
Royal Caribbean Cruises Ltd.	2,925,522	348,956	^ Harley-Davidson Inc.	2,874,830	146,271
* AutoZone Inc.	469,636	334,085	News Corp. Class A	8,666,276	140,480
* Mohawk Industries Inc.	1,079,627	297,869			
DR Horton Inc.	5,831,300	297,805			

## 500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Scripps Networks			Estee Lauder Cos. Inc.		
Interactive Inc. Class A	1,641,428	140,145	Class A	3,825,371	486,740
Goodyear Tire & Rubber Co.	4,208,119	135,964	* Monster Beverage Corp.	7,035,777	445,294
Interpublic Group of Cos. Inc.	6,638,983	133,842	Kroger Co.	15,203,013	417,323
Macy's Inc.	5,204,497	131,101	Tyson Foods Inc.		
^ Hanesbrands Inc.	6,227,666	130,221	Class A	5,085,382	412,272
Gap Inc.	3,720,863	126,733	Archer-Daniels-Midland Co.	9,552,512	382,865
Advance Auto Parts Inc.	1,262,764	125,885	Clorox Co.	2,202,556	327,608
* Chipotle Mexican Grill Inc. Class A	424,465	122,683	Dr Pepper Snapple Group Inc.	3,084,464	299,378
Garmin Ltd.	1,896,673	112,985	Kellogg Co.	4,249,704	288,895
Leggett & Platt Inc.	2,254,102	107,588	Hershey Co.	2,409,956	273,554
Foot Locker Inc.	2,120,308	99,400	Conagra Brands Inc.	6,980,036	262,938
Ralph Lauren Corp. Class A	947,167	98,212	Molson Coors Brewing Co. Class B	3,157,150	259,107
Nordstrom Inc.	1,994,392	94,494	JM Smucker Co.	1,940,913	241,139
H&R Block Inc.	3,574,895	93,734	Brown-Forman Corp. Class B	3,345,828	229,758
^ Mattel Inc.	5,878,335	90,409	Church & Dwight Co. Inc.	4,271,336	214,293
* Discovery Communications Inc.	3,483,634	73,749	McCormick & Co. Inc.	2,046,620	208,571
*^ TripAdvisor Inc.	1,849,508	63,734	Hormel Foods Corp.	4,598,935	167,355
* Discovery Communications Inc. Class A	2,622,237	58,686	Coty Inc. Class A	8,064,320	160,399
^ Signet Jewelers Ltd.	1,034,502	58,501	Campbell Soup Co.	3,288,458	158,208
*^ Under Armour Inc. Class A	3,146,257	45,400			<b>31,967,221</b>
*^ Under Armour Inc. Lennar Corp. Class B	67,996	3,514	<b>Energy (6.0%)</b>		
		<b>47,584,089</b>	Exxon Mobil Corp.	72,405,266	6,055,976
<b>Consumer Staples (8.2%)</b>			Chevron Corp.	32,456,002	4,063,167
Procter & Gamble Co.	43,534,177	3,999,920	Schlumberger Ltd.	23,670,182	1,595,134
Coca-Cola Co.	65,512,345	3,005,706	ConocoPhillips	20,429,077	1,121,352
PepsiCo Inc.	24,294,669	2,913,417	EOG Resources Inc.	9,880,986	1,066,257
Philip Morris International Inc.	26,531,183	2,803,020	Occidental Petroleum Corp.	13,075,549	963,145
Wal-Mart Stores Inc.	25,011,488	2,469,884	Phillips 66	7,341,715	742,614
Altria Group Inc.	32,606,346	2,328,419	Halliburton Co.	14,908,554	728,581
Costco Wholesale Corp.	7,466,573	1,389,679	Valero Energy Corp.	7,477,462	687,254
CVS Health Corp.	17,308,759	1,254,885	Kinder Morgan Inc.	32,819,060	593,040
Colgate-Palmolive Co.	15,003,843	1,132,040	Marathon Petroleum Corp.	8,346,057	550,673
Mondelez International Inc. Class A	25,532,798	1,092,804	Pioneer Natural Resources Co.	2,907,750	502,605
Walgreens Boots Alliance Inc.	14,835,177	1,077,331	Anadarko Petroleum Corp.	9,349,899	501,529
Kraft Heinz Co.	10,201,796	793,292	Williams Cos. Inc.	14,129,925	430,821
Kimberly-Clark Corp.	6,010,489	725,226	* Concho Resources Inc.	2,540,082	381,571
Constellation Brands Inc. Class A	2,943,594	672,817	Devon Energy Corp.	8,976,061	371,609
General Mills Inc.	9,710,725	575,749	ONEOK Inc.	6,549,754	350,084
Sysco Corp.	8,189,288	497,335	Andeavor	2,449,367	280,061
			Apache Corp.	6,508,424	274,786
			Marathon Oil Corp.	14,518,961	245,806
			Noble Energy Inc.	8,315,327	242,309
			EQT Corp.	4,183,882	238,147

## 500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
TechnipFMC plc	7,492,960	234,605	M&T Bank Corp.	2,572,359	439,848
National Oilwell Varco Inc.	6,495,249	233,959	T. Rowe Price Group Inc.	4,141,257	434,542
Baker Hughes a GE Co.	7,317,364	231,521	Ameriprise Financial Inc.	2,528,308	428,472
Cabot Oil & Gas Corp.	7,904,026	226,055	Moody's Corp.	2,841,620	419,452
Hess Corp.	4,615,787	219,111	KeyCorp	18,368,809	370,499
Cimarex Energy Co.	1,628,335	198,673	Northern Trust Corp.	3,668,671	366,464
^ Helmerich & Payne Inc.	1,856,594	120,010	Fifth Third Bancorp	12,052,389	365,669
* Newfield Exploration Co.	3,398,720	107,162	Citizens Financial Group Inc.	8,404,055	352,802
Range Resources Corp.	3,849,697	65,676	Hartford Financial Services Group Inc.	6,093,435	342,939
^ Chesapeake Energy Corp.	15,521,320	61,464	Regions Financial Corp.	19,814,935	342,402
		<u>23,684,757</u>	Willis Towers Watson plc	2,255,332	339,856
<b>Financials (14.7%)</b>			Principal Financial Group Inc.	4,587,308	323,680
JPMorgan Chase & Co.	59,277,552	6,339,141	* Berkshire Hathaway Inc. Class A	1,014	301,766
* Berkshire Hathaway Inc. Class B	31,357,399	6,215,664	Lincoln National Corp.	3,738,757	287,398
Bank of America Corp.	165,758,289	4,893,185	Huntington Bancshares Inc.	18,469,791	268,920
Wells Fargo & Co.	75,729,454	4,594,506	Comerica Inc.	2,971,701	257,973
Citigroup Inc.	45,172,432	3,361,281	Invesco Ltd.	6,953,734	254,089
Goldman Sachs Group Inc.	5,994,151	1,527,070	Franklin Resources Inc.	5,584,755	241,987
US Bancorp	26,934,236	1,443,136	Cboe Global Markets Inc.	1,938,835	241,559
Morgan Stanley	23,782,460	1,247,866	Loews Corp.	4,715,387	235,911
American Express Co.	12,308,983	1,222,405	* E*TRADE Financial Corp.	4,625,957	229,309
PNC Financial Services Group Inc.	8,128,892	1,172,918	Unum Group	3,835,103	210,509
Chubb Ltd.	7,932,675	1,159,202	Raymond James Financial Inc.	2,195,878	196,092
BlackRock Inc.	2,109,574	1,083,709	Arthur J Gallagher & Co.	3,089,008	195,472
Charles Schwab Corp.	20,387,188	1,047,290	Affiliated Managers Group Inc.	950,163	195,021
Bank of New York Mellon Corp.	17,497,589	942,420	Cincinnati Financial Corp.	2,551,562	191,291
American International Group Inc.	15,361,045	915,211	Zions Bancorporation	3,413,296	173,498
MetLife Inc.	17,981,261	909,133	Torchmark Corp.	1,833,951	166,358
CME Group Inc.	5,814,653	849,230	Everest Re Group Ltd.	701,522	155,219
Prudential Financial Inc.	7,245,197	833,053	XL Group Ltd.	4,372,761	153,746
Capital One Financial Corp.	8,281,345	824,656	Nasdaq Inc.	1,987,654	152,711
S&P Global Inc.	4,357,415	738,146	Leucadia National Corp.	5,357,121	141,910
Marsh & McLennan Cos. Inc.	8,721,150	709,814	People's United Financial Inc.	5,918,855	110,683
Intercontinental Exchange Inc.	9,996,533	705,355	* Brighthouse Financial Inc.	1,635,643	95,914
BB&T Corp.	13,478,131	670,133	Assurant Inc.	920,479	92,821
Allstate Corp.	6,130,022	641,875	Navient Corp.	4,483,475	59,720
Travelers Cos. Inc.	4,676,943	634,381			<u>57,645,884</u>
State Street Corp.	6,336,481	618,504	<b>Health Care (13.7%)</b>		
Aflac Inc.	6,718,429	589,744	Johnson & Johnson	45,896,961	6,412,723
Aon plc	4,270,341	572,226	Pfizer Inc.	101,851,362	3,689,056
Progressive Corp.	9,938,322	559,726	UnitedHealth Group Inc.	16,558,928	3,650,581
SunTrust Banks Inc.	8,134,048	525,378	AbbVie Inc.	27,238,724	2,634,257
Synchrony Financial	12,570,932	485,364			
Discover Financial Services	6,209,835	477,660			

## 500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Merck & Co. Inc.	46,729,139	2,629,449	AmerisourceBergen		
Amgen Inc.	12,404,032	2,157,061	Corp. Class A	2,756,928	253,141
Medtronic plc	23,124,672	1,867,317	* IQVIA Holdings Inc.	2,487,889	243,564
Bristol-Myers Squibb			* IDEXX Laboratories Inc.	1,490,106	233,023
Co.	27,964,205	1,713,646	Quest Diagnostics Inc.	2,329,146	229,398
Abbott Laboratories	29,741,780	1,697,363	ResMed Inc.	2,424,197	205,305
Gilead Sciences Inc.	22,320,849	1,599,066	* Hologic Inc.	4,711,832	201,431
* Celgene Corp.	13,453,235	1,403,980	Perrigo Co. plc	2,238,831	195,137
Eli Lilly & Co.	16,555,389	1,398,268	* Henry Schein Inc.	2,682,910	187,482
Thermo Fisher			* DaVita Inc.	2,587,786	186,968
Scientific Inc.	6,851,951	1,301,048	Cooper Cos. Inc.	836,714	182,303
* Biogen Inc.	3,612,802	1,150,930	* Varian Medical		
Aetna Inc.	5,571,827	1,005,102	Systems Inc.	1,565,694	174,027
Anthem Inc.	4,387,323	987,192	Universal Health		
Danaher Corp.	10,458,519	970,760	Services Inc. Class B	1,496,606	169,640
Becton Dickinson and			PerkinElmer Inc.	1,883,234	137,702
Co.	4,527,947	969,252	* Envision Healthcare		
Allergan plc	5,682,897	929,608	Corp.	2,067,279	71,445
Cigna Corp.	4,212,097	855,435	Patterson Cos. Inc.	1,404,084	50,730
Stryker Corp.	5,499,062	851,475			<b>53,679,215</b>
* Express Scripts Holding			<b>Industrials (10.1%)</b>		
Co.	9,677,552	722,332	Boeing Co.	9,565,531	2,820,971
* Intuitive Surgical Inc.	1,914,566	698,702	General Electric Co.	148,180,271	2,585,746
* Vertex Pharmaceuticals			3M Co.	10,197,174	2,400,109
Inc.	4,321,468	647,615	Honeywell		
Humana Inc.	2,441,062	605,554	International Inc.	13,016,816	1,996,259
Zoetis Inc.	8,326,463	599,838	Union Pacific Corp.	13,450,839	1,803,758
* Boston Scientific Corp.	23,462,993	581,648	United Technologies		
McKesson Corp.	3,562,156	555,518	Corp.	12,690,132	1,618,880
Baxter International Inc.	8,564,483	553,608	Caterpillar Inc.	10,165,766	1,601,921
* Illumina Inc.	2,494,808	545,091	United Parcel Service		
* Regeneron			Inc. Class B	11,740,036	1,398,825
Pharmaceuticals Inc.	1,316,380	494,906	Lockheed Martin Corp.	4,262,607	1,368,510
* Alexion Pharmaceuticals			FedEx Corp.	4,215,369	1,051,903
Inc.	3,817,909	456,584	General Dynamics Corp.	4,744,813	965,332
HCA Healthcare Inc.	4,840,946	425,229	Raytheon Co.	4,939,647	927,913
Zimmer Biomet			Northrop Grumman		
Holdings Inc.	3,460,629	417,594	Corp.	2,974,543	912,917
* Edwards Lifesciences			Illinois Tool Works Inc.	5,267,734	878,921
Corp.	3,617,077	407,681	Deere & Co.	5,465,430	855,395
* Mylan NV	9,166,930	387,853	CSX Corp.	15,271,443	840,082
Agilent Technologies			Emerson Electric Co.	10,966,108	764,228
Inc.	5,497,327	368,156	Norfolk Southern Corp.	4,889,458	708,483
* Cerner Corp.	5,394,050	363,505	Delta Air Lines Inc.	11,208,614	627,682
Cardinal Health Inc.	5,374,144	329,274	Southwest Airlines Co.	9,328,583	610,556
* Centene Corp.	2,946,481	297,241	Johnson Controls		
* Incyte Corp.	2,992,557	283,425	International plc	15,672,618	597,284
* Laboratory Corp. of			Eaton Corp. plc	7,528,251	594,807
America Holdings	1,739,334	277,441	Waste Management		
* Align Technology Inc.	1,232,786	273,913	Inc.	6,824,903	588,989
* Mettler-Toledo			Cummins Inc.	2,666,043	470,930
International Inc.	437,046	270,759	Parker-Hannifin Corp.	2,276,582	454,360
* Waters Corp.	1,358,944	262,534	Roper Technologies Inc.	1,749,218	453,048
Dentsply Sirona Inc.	3,924,485	258,349			

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Stanley Black & Decker Inc.	2,620,862	444,734	<b>Information Technology (23.7%)</b>		
Rockwell Automation Inc.	2,196,231	431,230	Apple Inc.	87,732,310	14,846,939
PACCAR Inc.	6,009,372	427,146	Microsoft Corp.	131,822,935	11,276,134
Ingersoll-Rand plc	4,267,902	380,654	* Facebook Inc. Class A	40,750,338	7,190,805
American Airlines Group Inc.	7,274,115	378,472	* Alphabet Inc. Class C	5,157,961	5,397,290
Fortive Corp.	5,224,286	377,977	* Alphabet Inc. Class A	5,092,941	5,364,904
Rockwell Collins Inc.	2,780,679	377,116	Intel Corp.	79,969,584	3,691,396
* United Continental Holdings Inc.	4,302,808	290,009	Visa Inc. Class A	30,987,529	3,533,198
AMETEK Inc.	3,948,340	286,136	Cisco Systems Inc.	84,473,576	3,235,338
* IHS Markit Ltd.	6,207,107	280,251	Oracle Corp.	52,059,100	2,461,354
Dover Corp.	2,661,930	268,828	Mastercard Inc. Class A	15,870,930	2,402,224
Fastenal Co.	4,910,538	268,557	International Business Machines Corp.	14,709,946	2,256,800
L3 Technologies Inc.	1,335,128	264,155	NVIDIA Corp.	10,355,113	2,003,714
Republic Services Inc. Class A	3,884,084	262,603	Broadcom Ltd.	6,947,686	1,784,860
* Verisk Analytics Inc. Class A	2,655,991	254,975	Texas Instruments Inc.	16,840,322	1,758,803
Textron Inc.	4,501,272	254,727	Accenture plc Class A	10,557,663	1,616,273
* United Rentals Inc.	1,444,181	248,269	QUALCOMM Inc.	25,189,688	1,612,644
Equifax Inc.	2,051,984	241,970	* Adobe Systems Inc.	8,423,064	1,476,058
Masco Corp.	5,375,565	236,202	* PayPal Holdings Inc.	19,305,380	1,421,262
Cintas Corp.	1,471,540	229,310	* salesforce.com Inc.	11,723,492	1,198,493
TransDigm Group Inc.	825,807	226,783	Applied Materials Inc.	18,223,772	931,599
CH Robinson Worldwide Inc.	2,382,571	212,263	Automatic Data Processing Inc.	7,577,972	888,063
WW Grainger Inc.	886,324	209,394	Activision Blizzard Inc.	12,919,541	818,065
Xylem Inc.	3,069,732	209,356	* Micron Technology Inc.	19,706,350	810,325
Nielsen Holdings plc	5,722,505	208,299	Cognizant Technology Solutions Corp. Class A	10,075,173	715,539
Pentair plc	2,822,230	199,306	Intuit Inc.	4,149,837	654,761
Arconic Inc.	7,236,049	197,182	* eBay Inc.	16,598,994	626,446
Expeditors International of Washington Inc.	3,037,431	196,491	HP Inc.	28,535,491	599,531
Kansas City Southern	1,769,806	186,219	TE Connectivity Ltd.	6,007,799	570,981
Fortune Brands Home & Security Inc.	2,628,702	179,908	Analog Devices Inc.	6,298,965	560,797
Snap-on Inc.	974,697	169,890	* Electronic Arts Inc.	5,261,418	552,765
JB Hunt Transport Services Inc.	1,462,038	168,105	Fidelity National Information Services Inc.	5,704,807	536,765
Alaska Air Group Inc.	2,103,069	154,597	Lam Research Corp.	2,767,325	509,381
AO Smith Corp.	2,492,773	152,757	Corning Inc.	14,849,375	475,031
Jacobs Engineering Group Inc.	2,057,879	135,738	* Fiserv Inc.	3,561,574	467,029
Allegion plc	1,622,860	129,115	DXC Technology Co.	4,874,929	462,631
Acuity Brands Inc.	720,415	126,793	Amphenol Corp. Class A	5,218,173	458,156
Fluor Corp.	2,390,547	123,472	Western Digital Corp.	5,055,661	402,077
Robert Half International Inc.	2,142,290	118,983	* Autodesk Inc.	3,746,696	392,766
* Quanta Services Inc.	2,643,592	103,391	Hewlett Packard Enterprise Co.	27,263,769	391,508
* Stericycle Inc.	1,459,829	99,254	Paychex Inc.	5,462,554	371,891
Flowserve Corp.	2,234,220	94,128	* Red Hat Inc.	3,022,248	362,972
			Microchip Technology Inc.	3,998,239	351,365
			Skyworks Solutions Inc.	3,138,891	298,038
			Symantec Corp.	10,591,777	297,205
		<b>39,702,554</b>			

## 500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Xilinx Inc.	4,287,195	289,043	Ball Corp.	5,982,087	226,422
Harris Corp.	2,036,385	288,454	FMC Corp.	2,294,568	217,204
KLA-Tencor Corp.	2,677,069	281,280	International Flavors & Fragrances Inc.	1,349,416	205,934
Global Payments Inc.	2,719,004	272,553	Packaging Corp. of America	1,612,722	194,414
NetApp Inc.	4,609,301	254,986	Avery Dennison Corp.	1,511,026	173,556
Motorola Solutions Inc.	2,768,056	250,066	CF Industries Holdings Inc.	3,983,430	169,455
Total System Services Inc.	2,859,064	226,123	Mosaic Co.	5,995,581	153,847
* Synopsys Inc.	2,567,314	218,838	Sealed Air Corp.	3,081,143	151,900
* Citrix Systems Inc.	2,446,272	215,272			
* ANSYS Inc.	1,450,317	214,052			
Alliance Data Systems Corp.	821,517	208,238			11,678,603
Seagate Technology plc	4,944,819	206,891	<b>Real Estate (2.9%)</b>		
* Cadence Design Systems Inc.	4,825,002	201,782	American Tower Corp.	7,328,052	1,045,493
* Gartner Inc.	1,549,494	190,820	Simon Property Group Inc.	5,311,319	912,166
* Akamai Technologies Inc.	2,891,535	188,065	Crown Castle International Corp.	6,941,963	770,627
Juniper Networks Inc.	6,408,711	182,648	Equinix Inc.	1,336,829	605,878
CA Inc.	5,366,709	178,604	Prologis Inc.	9,091,501	586,493
*^ VeriSign Inc.	1,448,880	165,810	Public Storage	2,557,500	534,517
Western Union Co.	7,845,057	149,135	Weyerhaeuser Co.	12,899,440	454,834
* Qorvo Inc.	2,174,008	144,789	AvalonBay Communities Inc.	2,360,041	421,055
*^ Advanced Micro Devices Inc.	14,009,028	144,013	Welltower Inc.	6,329,979	403,663
* F5 Networks Inc.	1,069,396	140,326	Equity Residential	6,281,137	400,548
FLIR Systems Inc.	2,368,607	110,424	Digital Realty Trust Inc.	3,511,556	399,966
Xerox Corp.	3,649,193	106,374	Ventas Inc.	6,083,065	365,045
CSRA Inc.	2,801,858	83,832	Boston Properties Inc.	2,635,974	342,756
* Conduent Inc.	4	—	* SBA Communications Corp. Class A	2,007,928	328,015
		<b>92,946,594</b>	Realty Income Corp.	4,814,018	274,495
<b>Materials (3.0%)</b>			Essex Property Trust Inc.	1,128,242	272,324
DowDuPont Inc.	39,982,839	2,847,578	Host Hotels & Resorts Inc.	12,644,899	251,001
Monsanto Co.	7,507,047	876,673	GGP Inc.	10,668,170	249,528
Praxair Inc.	4,891,828	756,668	Vornado Realty Trust	2,946,260	230,339
Air Products & Chemicals Inc.	3,724,105	611,051	* CBRE Group Inc. Class A	5,161,652	223,551
LyondellBasell Industries NV Class A	5,526,961	609,734	Alexandria Real Estate Equities Inc.	1,635,685	213,604
Ecolab Inc.	4,443,001	596,162	HCP Inc.	8,017,392	209,094
Sherwin-Williams Co.	1,406,050	576,537	Mid-America Apartment Communities Inc.	1,941,976	195,285
PPG Industries Inc.	4,348,386	507,978	Extra Space Storage Inc.	2,152,143	188,205
* Freepport-McMoRan Inc.	23,009,084	436,252	Iron Mountain Inc.	4,810,885	181,515
International Paper Co.	7,055,603	408,802	UDR Inc.	4,573,337	176,165
Nucor Corp.	5,430,541	345,274	Regency Centers Corp.	2,529,494	174,990
Newmont Mining Corp.	9,110,434	341,823	SL Green Realty Corp.	1,678,008	169,361
Vulcan Materials Co.	2,259,878	290,101	Duke Realty Corp.	6,081,791	165,486
WestRock Co.	4,350,100	274,970	Federal Realty Investment Trust	1,238,965	164,547
Albemarle Corp.	1,887,777	241,428			
Martin Marietta Materials Inc.	1,074,206	237,442			
Eastman Chemical Co.	2,454,639	227,398			

## 500 Index Fund

	Shares	Market Value* (\$000)		Face Amount (\$000)	Market Value* (\$000)
Kimco Realty Corp.	7,272,101	131,989	<b>U.S. Government and Agency Obligations (0.0%)</b>		
Macerich Co.	1,853,048	121,708		United States Cash	
Apartment Investment & Management Co.	2,683,435	117,293	Management Bill, 1.029%, 1/2/18	10,000	10,000
		<b>11,281,536</b>	4 United States Treasury Bill, 1.084%–1.099%, 2/1/18	25,000	24,974
<b>Telecommunication Services (2.1%)</b>			4 United States Treasury Bill, 1.209%, 2/8/18	20,000	19,975
AT&T Inc.	104,917,384	4,079,188	4 United States Treasury Bill, 1.087%, 3/1/18	15,000	14,968
Verizon Communications Inc.	69,690,557	3,688,721	United States Treasury Bill, 1.370%, 5/17/18	15,400	15,318
CenturyLink Inc.	16,620,202	277,225			<b>85,235</b>
		<b>8,045,134</b>	<b>Total Temporary Cash Investments (Cost \$1,536,013)</b>		<b>1,536,124</b>
<b>Utilities (2.9%)</b>			<b>Total Investments (99.9%) (Cost \$239,798,128)</b>		<b>391,194,194</b>
NextEra Energy Inc.	8,038,367	1,255,513		Amount (\$000)	
Duke Energy Corp.	11,960,209	1,005,973	<b>Other Assets and Liabilities (0.1%)</b>		
Dominion Energy Inc.	10,993,182	891,107	<b>Other Assets</b>		
Southern Co.	17,145,210	824,513	Investment in Vanguard		21,207
Exelon Corp.	16,405,858	646,555	Receivables for Investment Securities Sold		414,785
American Electric Power Co. Inc.	8,402,993	618,208	Receivables for Accrued Income		394,669
Sempra Energy	4,289,985	458,685	Receivables for Capital Shares Issued		457,176
Consolidated Edison Inc.	5,298,666	450,122	Other Assets		43
Public Service Enterprise Group Inc.	8,646,650	445,303	<b>Total Other Assets</b>		<b>1,287,880</b>
Xcel Energy Inc.	8,675,672	417,387	<b>Liabilities</b>		
PG&E Corp.	8,765,719	392,967	Payables for Investment Securities Purchased		(373,055)
PPL Corp.	11,669,186	361,161	Collateral for Securities on Loan		(138,757)
WEC Energy Group Inc.	5,394,448	358,353	Payables for Capital Shares Redeemed		(377,446)
Edison International	5,565,160	351,941	Payables to Vanguard		(148,029)
Eversource Energy	5,412,855	341,984	Variation Margin Payable-Futures Contracts		(5,223)
DTE Energy Co.	3,064,131	335,400	Other Liabilities		(4,958)
American Water Works Co. Inc.	3,047,662	278,831	<b>Total Liabilities</b>		<b>(1,047,468)</b>
Entergy Corp.	3,078,942	250,595	<b>Net Assets (100%)</b>		<b>391,434,606</b>
Ameren Corp.	4,144,358	244,476			
FirstEnergy Corp.	7,601,463	232,757			
CMS Energy Corp.	4,818,527	227,916			
CenterPoint Energy Inc.	7,364,826	208,866			
Alliant Energy Corp.	3,948,061	168,227			
Pinnacle West Capital Corp.	1,908,054	162,528			
NiSource Inc.	5,752,709	147,672			
NRG Energy Inc.	5,138,558	146,346			
AES Corp.	11,284,428	122,210			
SCANA Corp.	2,435,576	96,887			
		<b>11,442,483</b>			
<b>Total Common Stocks (Cost \$238,262,115)</b>		<b>389,658,070</b>			
<b>Temporary Cash Investments (0.4%)<sup>1</sup></b>					
<b>Money Market Fund (0.4%)</b>					
<sup>2,3</sup> Vanguard Market Liquidity Fund, 1.458%	14,507,441	1,450,889			

At December 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	241,297,532
Overdistributed Net Investment Income	(93,918)
Accumulated Net Realized Losses	(1,175,236)
Unrealized Appreciation (Depreciation)	
Investment Securities	151,396,066
Futures Contracts	10,162
<b>Net Assets</b>	<b>391,434,606</b>

#### Investor Shares—Net Assets

Applicable to 112,048,695 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	27,655,707
<b>Net Asset Value Per Share— Investor Shares</b>	<b>\$246.82</b>

#### ETF Shares—Net Assets

Applicable to 341,467,765 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	83,640,332
<b>Net Asset Value Per Share— ETF Shares</b>	<b>\$244.94</b>

Amount  
(\$000)

#### Admiral Shares—Net Assets

Applicable to 953,049,544 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	235,231,622
<b>Net Asset Value Per Share— Admiral Shares</b>	<b>\$246.82</b>

#### Institutional Select Shares—Net Assets

Applicable to 343,360,333 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	44,906,945
<b>Net Asset Value Per Share— Institutional Select Shares</b>	<b>\$130.79</b>

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

<sup>A</sup> Includes partial security positions on loan to broker-dealers.  
The total value of securities on loan is \$129,963,000.

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 99.9% and 0.0%, 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 \$138,757,000 of collateral received for securities on loan.

4 Securities with a value of \$49,039,000 have been segregated as initial margin for open futures contracts.

#### Derivative Financial Instruments Outstanding as of Period End

##### Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
E-mini S&P 500 Index	March 2018	11,141	1,490,666	10,162

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

# Statement of Operations

	Year Ended December 31, 2017
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	6,675,777
Interest <sup>1</sup>	14,692
Securities Lending—Net	4,231
Total Income	6,694,700
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	11,985
Management and Administrative—Investor Shares	31,508
Management and Administrative—ETF Shares	16,219
Management and Administrative—Admiral Shares	55,652
Management and Administrative—Institutional Select Shares	1,673
Marketing and Distribution—Investor Shares	4,260
Marketing and Distribution—ETF Shares	4,074
Marketing and Distribution—Admiral Shares	13,327
Marketing and Distribution—Institutional Select Shares	3
Custodian Fees	2,277
Auditing Fees	50
Shareholders' Reports and Proxy—Investor Shares	1,598
Shareholders' Reports and Proxy—ETF Shares	4,170
Shareholders' Reports and Proxy—Admiral Shares	4,169
Shareholders' Reports and Proxy—Institutional Select Shares	—
Trustees' Fees and Expenses	256
Total Expenses	151,221
<b>Net Investment Income</b>	<b>6,543,479</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1</sup>	6,055,271
Futures Contracts	251,110
<b>Realized Net Gain (Loss)</b>	<b>6,306,381</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	52,938,334
Futures Contracts	18,895
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>52,957,229</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>65,807,089</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$14,079,000, \$27,000, and \$43,000, respectively.

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

# Statement of Changes in Net Assets

	Year Ended December 31,	
	2017 (\$000)	2016 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	6,543,479	5,265,549
Realized Net Gain (Loss)	6,306,381	6,689,644
Change in Unrealized Appreciation (Depreciation)	52,957,229	16,565,774
Net Increase (Decrease) in Net Assets Resulting from Operations	65,807,089	28,520,967
<b>Distributions</b>		
Net Investment Income		
Investor Shares	(502,714)	(530,428)
ETF Shares	(1,392,614)	(1,047,723)
Admiral Shares	(4,061,760)	(3,539,036)
Institutional Select Shares	(593,341)	(141,449)
Realized Capital Gain		
ETF Shares	—	—
Admiral Shares	—	—
Institutional Select Shares	—	—
Investor Shares	—	—
Total Distributions	(6,550,429)	(5,258,636)
<b>Capital Share Transactions</b>		
Investor Shares	(3,875,867)	(1,863,704)
ETF Shares	14,595,756	11,566,096
Admiral Shares	16,802,846	13,258,093
Institutional Select Shares	22,089,206	17,071,485
Net Increase (Decrease) from Capital Share Transactions	49,611,941	40,031,970
Total Increase (Decrease)	108,868,601	63,294,301
<b>Net Assets</b>		
Beginning of Period	282,566,005	219,271,704
End of Period <sup>1</sup>	391,434,606	282,566,005

<sup>1</sup> Net Assets—End of Period includes undistributed (overdistributed) net investment income of (\$93,918,000) and (\$86,968,000).

# Financial Highlights

## Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$206.57</b>	<b>\$188.48</b>	<b>\$189.89</b>	<b>\$170.36</b>	<b>\$131.37</b>
<b>Investment Operations</b>					
Net Investment Income	4.221 <sup>1</sup>	3.997	3.775	3.326	2.956
Net Realized and Unrealized Gain (Loss) on Investments	40.205	18.069	(1.438)	19.507	38.982
Total from Investment Operations	44.426	22.066	2.337	22.833	41.938
<b>Distributions</b>					
Dividends from Net Investment Income	(4.176)	(3.976)	(3.747)	(3.303)	(2.948)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.176)	(3.976)	(3.747)	(3.303)	(2.948)
<b>Net Asset Value, End of Period</b>	<b>\$246.82</b>	<b>\$206.57</b>	<b>\$188.48</b>	<b>\$189.89</b>	<b>\$170.36</b>
<b>Total Return<sup>2</sup></b>	<b>21.67%</b>	<b>11.82%</b>	<b>1.25%</b>	<b>13.51%</b>	<b>32.18%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$27,656	\$26,652	\$26,092	\$28,040	\$27,758
Ratio of Total Expenses to Average Net Assets	0.14%	0.14%	0.16%	0.17%	0.17%
Ratio of Net Investment Income to Average Net Assets	1.87%	2.05%	2.00%	1.88%	1.95%
Portfolio Turnover Rate <sup>3</sup>	3%	4%	3%	3%	3%

1 Calculated based on average shares outstanding.

2 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.

3 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	Year Ended December 31,				
	2017	2016	2015	2014	2013 <sup>1</sup>
<b>Net Asset Value, Beginning of Period</b>	<b>\$205.00</b>	<b>\$187.05</b>	<b>\$188.45</b>	<b>\$169.07</b>	<b>\$130.38</b>
<b>Investment Operations</b>					
Net Investment Income	4.434 <sup>2</sup>	4.155	3.958	3.518	3.117
Net Realized and Unrealized Gain (Loss) on Investments	39.874	17.933	(1.427)	19.352	38.681
Total from Investment Operations	44.308	22.088	2.531	22.870	41.798
<b>Distributions</b>					
Dividends from Net Investment Income	(4.368)	(4.138)	(3.931)	(3.490)	(3.108)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.368)	(4.138)	(3.931)	(3.490)	(3.108)
<b>Net Asset Value, End of Period</b>	<b>\$244.94</b>	<b>\$205.00</b>	<b>\$187.05</b>	<b>\$188.45</b>	<b>\$169.07</b>
<b>Total Return</b>	<b>21.78%</b>	<b>11.93%</b>	<b>1.35%</b>	<b>13.63%</b>	<b>32.33%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$83,640	\$56,648	\$40,440	\$27,630	\$15,037
Ratio of Total Expenses to Average Net Assets	0.04%	0.04%	0.05%	0.05%	0.05%
Ratio of Net Investment Income to Average Net Assets	1.97%	2.15%	2.11%	2.00%	2.07%
Portfolio Turnover Rate <sup>3</sup>	3%	4%	3%	3%	3%

1 Adjusted to reflect a 1-for-2 reverse share split as of the close of business on October 24, 2013.

2 Calculated based on average shares outstanding.

3 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	Year Ended December 31,				
	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$206.57</b>	<b>\$188.48</b>	<b>\$189.89</b>	<b>\$170.36</b>	<b>\$131.37</b>
<b>Investment Operations</b>					
Net Investment Income	4.458 <sup>1</sup>	4.185	3.990	3.544	3.142
Net Realized and Unrealized Gain (Loss) on Investments	40.193	18.074	(1.439)	19.503	38.980
Total from Investment Operations	44.651	22.259	2.551	23.047	42.122
<b>Distributions</b>					
Dividends from Net Investment Income	(4.401)	(4.169)	(3.961)	(3.517)	(3.132)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.401)	(4.169)	(3.961)	(3.517)	(3.132)
<b>Net Asset Value, End of Period</b>	<b>\$246.82</b>	<b>\$206.57</b>	<b>\$188.48</b>	<b>\$189.89</b>	<b>\$170.36</b>
<b>Total Return<sup>2</sup></b>	<b>21.79%</b>	<b>11.93%</b>	<b>1.36%</b>	<b>13.64%</b>	<b>32.33%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$235,232	\$181,513	\$152,740	\$143,043	\$82,357
Ratio of Total Expenses to Average Net Assets	0.04%	0.04%	0.05%	0.05%	0.05%
Ratio of Net Investment Income to Average Net Assets	1.97%	2.15%	2.11%	2.00%	2.07%
Portfolio Turnover Rate <sup>3</sup>	3%	4%	3%	3%	3%

1 Calculated based on average shares outstanding.

2 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.

3 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 Select Shares

For a Share Outstanding Throughout Each Period	Year Ended Dec. 31, 2017	June 24, 2016 <sup>1</sup> to Dec. 31, 2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$109.45</b>	<b>\$99.57</b>
<b>Investment Operations</b>		
Net Investment Income	2.423 <sup>2</sup>	1.200
Net Realized and Unrealized Gain (Loss) on Investments	21.283	9.859
Total from Investment Operations	23.706	11.059
<b>Distributions</b>		
Dividends from Net Investment Income	(2.366)	(1.179)
Distributions from Realized Capital Gains	—	—
Total Distributions	(2.366)	(1.179)
<b>Net Asset Value, End of Period</b>	<b>\$130.79</b>	<b>\$109.45</b>
<b>Total Return</b>	<b>21.83%</b>	<b>11.12%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$44,907	\$17,753
Ratio of Total Expenses to Average Net Assets	0.01%	0.01% <sup>3</sup>
Ratio of Net Investment Income to Average Net Assets	2.00%	2.26% <sup>3</sup>
Portfolio Turnover Rate <sup>4</sup>	3%	4% <sup>5</sup>

1 Inception.

2 Calculated based on average shares outstanding.

3 Annualized.

4 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.

5 Reflects the fund's portfolio turnover for the fiscal year ended December 31, 2016.

## Notes to Financial Statements

Vanguard 500 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 Select 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 Select 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, 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 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 notional amounts 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 year ended December 31, 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 the notional amounts 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, 2014–2017), 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 December 31, 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), shareholder reporting, and the proxy. 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 December 31, 2017, the fund had contributed to Vanguard capital in the amount of \$21,206,582, representing 0.01% of the fund's net assets and 8.48% 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). Any investments valued with significant unobservable inputs are noted on the Statement of Net Assets.

The following table summarizes the market value of the fund's investments as of December 31, 2017, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	389,658,070	—	—
Temporary Cash Investments	1,450,889	85,235	—
Futures Contracts—Liabilities <sup>1</sup>	(5,223)	—	—
Total	391,103,736	85,235	—

<sup>1</sup> Represents variation margin on the last day of the reporting period.

D. 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 year ended December 31, 2017, the fund realized \$6,646,264,000 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.

For tax purposes, at December 31, 2017, the fund had \$42,626,000 of ordinary income available for distribution. At December 31, 2017, the fund had available capital losses totaling \$1,161,462,000 that may be carried forward indefinitely to offset future net capital gains.

At December 31, 2017, the cost of investment securities for tax purposes was \$239,798,128,000. Net unrealized appreciation of investment securities for tax purposes was \$151,396,066,000, consisting of unrealized gains of \$156,408,365,000 on securities that had risen in value since their purchase and \$5,012,299,000 in unrealized losses on securities that had fallen in value since their purchase.

E. During the year ended December 31, 2017, the fund purchased \$69,295,386,000 of investment securities and sold \$20,128,588,000 of investment securities, other than temporary cash investments. Purchases and sales include \$43,244,268,000 and \$9,714,949,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

## F. Capital share transactions for each class of shares were:

	Year Ended December 31,			
	2017		2016	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Investor Shares</b>				
Issued	4,064,839	18,044	3,996,733	20,796
Issued in Lieu of Cash Distributions	473,688	2,063	502,725	2,544
Redeemed	(8,414,394)	(37,077)	(6,363,162)	(32,754)
Net Increase (Decrease)—Investor Shares	(3,875,867)	(16,970)	(1,863,704)	(9,414)
<b>ETF Shares</b>				
Issued	23,401,120	104,080	20,791,085	108,961
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(8,805,364)	(38,950)	(9,224,989)	(48,825)
Net Increase (Decrease)—ETF Shares	14,595,756	65,130	11,566,096	60,136
<b>Admiral Shares</b>				
Issued	38,394,575	170,114	30,149,922	155,773
Issued in Lieu of Cash Distributions	3,598,566	15,616	3,138,593	15,855
Redeemed	(25,190,295)	(111,384)	(20,030,422)	(103,296)
Net Increase (Decrease)—Admiral Shares	16,802,846	74,346	13,258,093	68,332
<b>Institutional Select Shares<sup>1</sup></b>				
Issued	22,971,601	188,566	17,224,925	163,684
Issued in Lieu of Cash Distributions	593,340	4,807	141,449	1,293
Redeemed	(1,475,735)	(12,216)	(294,889)	(2,774)
Net Increase (Decrease)— Institutional Select Shares	22,089,206	181,157	17,071,485	162,203

<sup>1</sup> Inception was June 24, 2016, for Institutional Select Shares.

G. Management has determined that no material events or transactions occurred subsequent to December 31, 2017, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Index Funds and Shareholders of Vanguard 500 Index Fund

## Opinion on the Financial Statements

We have audited the accompanying statement of net assets of Vanguard 500 Index Fund (one of the funds constituting Vanguard Index Funds, referred to hereafter as the "Fund") as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
February 14, 2018

We have served as the auditor of one or more investment companies in The Vanguard Group of Funds since 1975.

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**Special 2017 tax information (unaudited) for Vanguard 500 Index Fund**

This information for the fiscal year ended December 31, 2017, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$6,550,429,000 of qualified dividend income to shareholders during the fiscal year.

For corporate shareholders, 94.7% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

## Your Fund's After-Tax Returns

This table presents returns for your fund both before and after taxes. The after-tax returns are shown in two ways: (1) assuming that an investor owned the fund during the entire period and paid taxes on the fund's distributions, and (2) assuming that an investor paid taxes on the fund's distributions *and* sold all shares at the end of each period.

Calculations are based on the highest individual federal income tax and capital gains tax rates in effect at the times of the distributions and the hypothetical sales. State and local taxes were not considered. After-tax returns reflect any qualified dividend income. (In the example, returns after the sale of fund shares may be higher than those assuming no sale. This occurs when the sale would have produced a capital loss. The calculation assumes that the investor received a tax deduction for the loss.)

The table shows returns for Investor Shares only; returns for other share classes will differ. Please note that your actual after-tax returns will depend on your tax situation and may differ from those shown. Also note that if you own the fund in a tax-deferred account, such as an individual retirement account or a 401(k) plan, this information does not apply to you. Such accounts are not subject to current taxes.

Finally, keep in mind that a fund's performance—whether before or after taxes—does not guarantee future results.

### Average Annual Total Returns: 500 Index Fund Investor Shares

Periods Ended December 31, 2017

	One Year	Five Years	Ten Years
Returns Before Taxes	21.67%	15.62%	8.37%
Returns After Taxes on Distributions	21.15	15.10	7.95
Returns After Taxes on Distributions and Sale of Fund Shares	12.64	12.51	6.75

## 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 December 31, 2017

500 Index Fund	Beginning Account Value 6/30/2017	Ending Account Value 12/31/2017	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Investor Shares	\$1,000.00	\$1,113.53	\$0.75
ETF Shares	1,000.00	1,114.08	0.16
Admiral Shares	1,000.00	1,114.11	0.21
Institutional Select Shares	1,000.00	1,114.29	0.05
<b>Based on Hypothetical 5% Yearly Return</b>			
Investor Shares	\$1,000.00	\$1,024.50	\$0.71
ETF Shares	1,000.00	1,025.05	0.15
Admiral Shares	1,000.00	1,025.00	0.20
Institutional Select Shares	1,000.00	1,025.16	0.05

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratios for that period are 0.14% for Investor Shares, 0.03% for ETF Shares, 0.04% for Admiral Shares, and 0.01% for Institutional Select 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 (184/365).

# 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 depository 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.

# 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 201 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](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### 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; Chief Executive Officer and Director of The Vanguard Group and President and Chief Executive Officer of each of the investment companies served by The Vanguard Group, since 2008; Director of Vanguard Marketing Corporation; President of The Vanguard Group (2008–2017); Managing Director of The Vanguard Group (1995–2008).

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.<sup>2</sup> 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.

## 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);

### 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

<sup>1</sup> 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.

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

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); 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.

### Christine M. Buchanan

Born 1970. Treasurer Since November 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Treasurer of each of the investment companies served by The Vanguard Group; Global Head of Vanguard Fund Administration at The Vanguard Group; Partner at KPMG LLP (2005–2017).

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

## Vanguard Senior Management Team

<b>Mortimer J. Buckley</b>	<b>Chris D. McIsaac</b>
<b>Gregory Davis</b>	<b>James M. Norris</b>
<b>John James</b>	<b>Thomas M. Rampulla</b>
<b>Martha G. King</b>	<b>Karin A. Risi</b>
<b>John T. Marcante</b>	

## 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



**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](http://vanguard.com/proxyreporting) or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, [sec.gov](http://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](http://vanguard.com/proxyreporting) or [sec.gov](http://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](mailto: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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