

**Annual Report** | August 31, 2020

# Vanguard Mega Cap Index Funds

Vanguard Mega Cap Index Fund

Vanguard Mega Cap Growth Index Fund

Vanguard Mega Cap Value Index Fund

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

# Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund’s annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to [vanguard.com](https://vanguard.com).

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to [vanguard.com](https://vanguard.com). Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

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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.

# Your Fund’s Performance at a Glance

- For the 12 months ended August 31, 2020, returns for the three Vanguard Mega Cap Index Funds ranged from about 3% for Vanguard Value Index Fund to about 50% for Vanguard Growth Index Fund. Vanguard Mega Cap Index Fund returned about 26%. Each fund closely tracked its target index.
- The period was marked by historic levels of volatility. After falling from highs in the early part of 2020, the broad U.S. stock market began a rebound. In August, it climbed to a record high as the response of some major central banks and governments to the spread of the coronavirus and vaccine hopes lifted investor sentiment. U.S. stocks rebounded more strongly than developed markets outside the United States and emerging markets.
- Large-capitalization stocks outperformed their mid- and small-cap counterparts for the period, and growth stocks surpassed value.
- Information technology stocks, a top contributor to returns for all three funds, benefited from the pandemic-induced online environment and the increased use of digital services.
- Oil and gas stocks were among the weakest performers for all three funds as the pandemic severely reduced global demand for oil.

## Market Barometer

	Average Annual Total Returns Periods Ended August 31, 2020		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	22.50%	14.58%	14.31%
Russell 2000 Index (Small-caps)	6.02	5.03	7.65
Russell 3000 Index (Broad U.S. market)	21.44	13.95	13.86
FTSE All-World ex US Index (International)	8.78	2.92	6.00
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	6.47%	5.09%	4.33%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	3.24	4.09	3.99
FTSE Three-Month U.S. Treasury Bill Index	1.18	1.67	1.15
<b>CPI</b>			
Consumer Price Index	1.31%	1.92%	1.75%

# 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 August 31, 2020**

	Beginning Account Value 2/29/2020	Ending Account Value 8/31/2020	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Mega Cap Index Fund			
ETF Shares	\$1,000.00	\$1,226.95	\$0.39
Institutional Shares	1,000.00	1,227.41	0.34
Mega Cap Growth Index Fund			
ETF Shares	\$1,000.00	\$1,396.98	\$0.42
Institutional Shares	1,000.00	1,397.18	0.36
Mega Cap Value Index Fund			
ETF Shares	\$1,000.00	\$1,044.88	\$0.36
Institutional Shares	1,000.00	1,045.48	0.31
<b>Based on Hypothetical 5% Yearly Return</b>			
Mega Cap Index Fund			
ETF Shares	\$1,000.00	\$1,024.78	\$0.36
Institutional Shares	1,000.00	1,024.83	0.31
Mega Cap Growth Index Fund			
ETF Shares	\$1,000.00	\$1,024.78	\$0.36
Institutional Shares	1,000.00	1,024.83	0.31
Mega Cap Value Index Fund			
ETF Shares	\$1,000.00	\$1,024.78	\$0.36
Institutional Shares	1,000.00	1,024.83	0.31

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Mega Cap Index Fund, 0.07% for ETF Shares and 0.06% for Institutional Shares; for the Mega Cap Growth Index Fund, 0.07% for ETF Shares and 0.06% for Institutional Shares; and for the Mega Cap Value Index Fund, 0.07% for ETF Shares and 0.06% for Institutional Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/366).

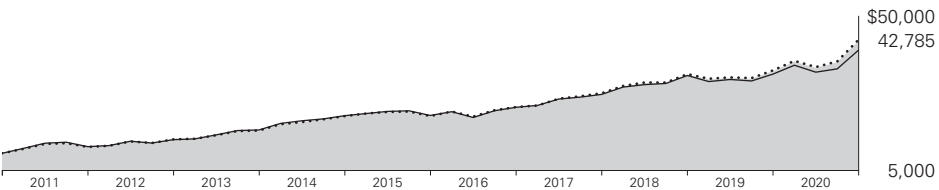
# Mega Cap Index Fund

## 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: August 31, 2010, Through August 31, 2020

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended August 31, 2020				Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Mega Cap Index Fund ETF Shares Net Asset Value	26.14%	15.60%	15.65%	\$42,785
Mega Cap Index Fund ETF Shares Market Price	26.31	15.61	15.67	42,860
Spliced Mega Cap Index	26.25	15.65	15.73	43,090
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.20	13.77	14.88	40,053

Spliced Mega Cap Index: MSCI US Large Cap 300 Index through January 30, 2013; CRSP US Mega Cap Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a \$5,000,000 Investment
Mega Cap Index Fund Institutional Shares	26.19%	15.61%	15.67%	\$21,437,860
Spliced Mega Cap Index	26.25	15.65	15.73	21,544,783
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.20	13.77	14.88	20,026,347

See Financial Highlights for dividend and capital gains information.

Cumulative Returns of ETF Shares: August 31, 2010, Through August 31, 2020

	One Year	Five Years	Ten Years
Mega Cap Index Fund ETF Shares Market Price	26.31%	106.50%	328.60%
Mega Cap Index Fund ETF Shares Net Asset Value	26.14	106.39	327.85
Spliced Mega Cap Index	26.25	106.87	330.90

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.

# Fund Allocation

As of August 31, 2020

Basic Materials	1.4%
Consumer Goods	8.3
Consumer Services	15.8
Financials	13.7
Health Care	13.4
Industrials	9.8
Oil & Gas	2.2
Technology	31.2
Telecommunications	2.1
Utilities	2.1

The table reflects the fund’s investments, except for short-term investments and derivatives. Sector categories are based on the Industry Classification Benchmark (“ICB”), except for the “Other” category (if applicable), which includes securities that have not been provided a ICB classification as of the effective reporting period.

The fund may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.



# Financial Statements

## Schedule of Investments

As of August 31, 2020

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.6%)</b>					
<b>Basic Materials (1.4%)</b>					
Linde plc	66,180	16,528	Brown-Forman Corp. Class B	38,944	2,849
Air Products & Chemicals Inc.	27,869	8,145	Hershey Co.	18,539	2,756
Ecolab Inc.	32,258	6,358	VF Corp.	39,182	2,576
Dow Inc.	93,576	4,222	Keurig Dr Pepper Inc.	53,153	1,585
PPG Industries Inc.	29,770	3,584	Corteva Inc.	47,218	1,348
Newmont Corp.	50,496	3,397	Tyson Foods Inc. Class A	18,540	1,164
LyondellBasell Industries NV Class A	31,537	2,065	Kellogg Co.	16,208	1,149
		<b>44,299</b>			<b>266,633</b>
<b>Consumer Goods (8.3%)</b>			<b>Consumer Services (15.7%)</b>		
* Tesla Inc.	93,622	46,654	* Amazon.com Inc.	53,455	184,471
Procter & Gamble Co.	311,884	43,143	Home Depot Inc.	135,495	38,622
PepsiCo Inc.	174,830	24,487	Walt Disney Co.	227,532	30,005
Coca-Cola Co.	487,067	24,124	* Netflix Inc.	55,388	29,331
NIKE Inc. Class B	156,185	17,475	Comcast Corp. Class A	573,923	25,718
Philip Morris International Inc.	196,187	15,654	Walmart Inc.	178,507	24,786
Mondelez International Inc. Class A	179,852	10,507	McDonald's Corp.	93,700	20,007
Altria Group Inc.	234,166	10,242	Costco Wholesale Corp.	55,655	19,349
Colgate-Palmolive Co.	107,982	8,559	Lowe's Cos. Inc.	95,147	15,670
Activision Blizzard Inc.	97,050	8,106	Starbucks Corp.	147,241	12,438
Kimberly-Clark Corp.	42,945	6,775	* Charter Communications Inc. Class A	18,237	11,227
Estee Lauder Cos. Inc. Class A	25,522	5,659	CVS Health Corp.	164,668	10,229
* Electronic Arts Inc.	36,279	5,060	* Booking Holdings Inc.	5,136	9,812
General Mills Inc.	76,378	4,884	Target Corp.	63,052	9,534
General Motors Co.	162,323	4,810	TJX Cos. Inc.	136,017	7,452
* Monster Beverage Corp.	46,434	3,894	Dollar General Corp.	31,764	6,413
Constellation Brands Inc. Class A	20,092	3,707	* Uber Technologies Inc.	141,995	4,775
Ford Motor Co.	492,316	3,358	eBay Inc.	84,158	4,610
Archer-Daniels-Midland Co.	70,194	3,142	* O'Reilly Automotive Inc.	9,285	4,323
Kraft Heinz Co.	84,641	2,966	Ross Stores Inc.	44,625	4,064
			Yum! Brands Inc.	38,082	3,650
			Sysco Corp.	60,476	3,637
			Walgreens Boots Alliance Inc.	93,775	3,565
			Kroger Co.	94,168	3,360
			Marriott International Inc. Class A	30,645	3,154

# Mega Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Hilton Worldwide Holdings Inc.	34,730	3,138	Travelers Cos. Inc.	31,804	3,691
McKesson Corp.	20,356	3,123	Allstate Corp.	39,578	3,681
Southwest Airlines Co.	74,212	2,789	Prudential Financial Inc.	49,670	3,366
Las Vegas Sands Corp.	47,998	2,434	MetLife Inc.	85,876	3,303
* AutoZone Inc.	1,515	1,812	American International Group Inc.	108,751	3,169
Delta Air Lines Inc.	40,192	1,240	Aflac Inc.	85,860	3,118
Sirius XM Holdings Inc.	136,085	799	Welltower Inc.	52,617	3,027
Fox Corp. Class A	18,936	528	State Street Corp.	42,171	2,871
Fox Corp. Class B	12,748	354	Equity Residential	46,915	2,648
		<b>506,419</b>	Simon Property Group Inc.	38,514	2,613
<b>Financials (13.7%)</b>			* Berkshire Hathaway Inc.		
* Berkshire Hathaway Inc. Class B	230,727	50,308	Class A	5	1,638
Visa Inc. Class A	212,581	45,065	TD Ameritrade Holding Corp.	34,362	1,319
Mastercard Inc. Class A	112,628	40,342	Discover Financial Services	19,305	1,025
JPMorgan Chase & Co.	364,702	36,539	Northern Trust Corp.	12,484	1,022
Bank of America Corp.	983,898	25,326	Ventas Inc.	23,560	971
American Tower Corp.	55,859	13,917	Fifth Third Bancorp	44,886	927
Citigroup Inc.	262,283	13,408	Boston Properties Inc.	8,798	764
Wells Fargo & Co.	464,501	11,218	* Rocket Cos. Inc. Class A	12,572	352
S&P Global Inc.	30,368	11,127			<b>439,851</b>
BlackRock Inc.	18,295	10,871	<b>Health Care (13.3%)</b>		
Prologis Inc.	93,041	9,477	Johnson & Johnson	331,921	50,920
Goldman Sachs Group Inc.	43,336	8,878	UnitedHealth Group Inc.	119,524	37,357
Equinix Inc.	11,127	8,788	Merck & Co. Inc.	317,999	27,116
Crown Castle International Corp.	52,527	8,575	Pfizer Inc.	699,889	26,449
CME Group Inc.	45,215	7,952	Abbott Laboratories	222,814	24,391
Morgan Stanley	148,960	7,785	Thermo Fisher Scientific Inc.	49,741	21,338
American Express Co.	76,042	7,725	AbbVie Inc.	221,994	21,260
Marsh & McLennan Cos. Inc.	64,326	7,392	Amgen Inc.	74,161	18,786
Intercontinental Exchange Inc.	68,950	7,325	Medtronic plc	168,800	18,141
Progressive Corp.	73,692	7,004	Bristol-Myers Squibb Co.	285,162	17,737
Truist Financial Corp.	169,758	6,588	Danaher Corp.	80,237	16,567
US Bancorp	170,804	6,217	Eli Lilly and Co.	108,474	16,096
Chubb Ltd.	48,285	6,036	* Intuitive Surgical Inc.	14,675	10,725
Moody's Corp.	20,033	5,903	Gilead Sciences Inc.	158,071	10,551
Aon plc Class A	29,148	5,829	Zoetis Inc.	59,829	9,579
PNC Financial Services Group Inc.	50,780	5,647	* Vertex Pharmaceuticals Inc.	32,686	9,123
Charles Schwab Corp.	146,023	5,188	Becton Dickinson and Co.	37,184	9,027
Blackstone Group LP Class A	84,462	4,472	Anthem Inc.	31,754	8,939
Public Storage	18,754	3,983	Stryker Corp.	42,575	8,437
Capital One Financial Corp.	57,370	3,960	Cigna Corp.	46,460	8,241
T. Rowe Price Group Inc.	27,195	3,786	* Regeneron Pharmaceuticals Inc.	12,079	7,488
Bank of New York Mellon Corp.	100,452	3,715	* Boston Scientific Corp.	179,513	7,364
			Humana Inc.	16,646	6,911
			* Edwards Lifesciences Corp.	78,220	6,714
			* Illumina Inc.	18,525	6,618

# Mega Cap Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Biogen Inc.	20,591	5,923	Fortive Corp.	38,233	2,757
Baxter International Inc.	63,957	5,569	Republic Services Inc.		
HCA Healthcare Inc.	34,034	4,619	Class A	25,935	2,405
Zimmer Biomet			Otis Worldwide Corp.	27,243	1,714
Holdings Inc.	26,028	3,667	Rockwell Automation Inc.	7,329	1,690
* Alexion			Corning Inc.	48,031	1,559
Pharmaceuticals Inc.	26,385	3,014			<b>313,257</b>
		<b>428,667</b>	<b>Oil &amp; Gas (2.1%)</b>		
<b>Industrials (9.7%)</b>			Exxon Mobil Corp.	532,843	21,282
* PayPal Holdings Inc.	147,947	30,202	Chevron Corp.	235,232	19,743
Accenture plc Class A	80,220	19,247	ConocoPhillips	135,236	5,124
Union Pacific Corp.	85,468	16,447	Kinder Morgan Inc.	242,391	3,350
Honeywell International Inc.	88,426	14,639	EOG Resources Inc.	73,388	3,327
United Parcel Service Inc.			Schlumberger Ltd.	174,956	3,326
Class B	88,723	14,517	Phillips 66	54,807	3,205
3M Co.	72,473	11,815	Williams Cos. Inc.	152,988	3,176
Fidelity National			Marathon Petroleum Corp.	81,983	2,907
Information Services Inc.	77,813	11,738	Valero Energy Corp.	51,196	2,692
Lockheed Martin Corp.	30,076	11,737	Pioneer Natural		
Raytheon Technologies			Resources Co.	10,454	1,086
Corp.	190,992	11,651			<b>69,218</b>
Boeing Co.	67,518	11,601	<b>Technology (31.2%)</b>		
Caterpillar Inc.	68,170	9,701	Apple Inc.	1,965,944	253,685
Deere & Co.	39,417	8,280	Microsoft Corp.	955,461	215,485
CSX Corp.	96,456	7,375	* Facebook Inc. Class A	302,938	88,821
Automatic Data			* Alphabet Inc. Class A	37,508	61,120
Processing Inc.	51,436	7,154	* Alphabet Inc. Class C	36,262	59,259
* Fiserv Inc.	71,652	7,135	NVIDIA Corp.	73,618	39,384
Illinois Tool Works Inc.	35,796	7,071	* Adobe Inc.	60,741	31,184
General Electric Co.	1,102,072	6,987	* salesforce.com Inc.	107,554	29,325
Sherwin-Williams Co.	10,247	6,876	Intel Corp.	533,496	27,182
Norfolk Southern Corp.	32,307	6,866	Cisco Systems Inc.	478,881	20,218
Global Payments Inc.	37,712	6,661	QUALCOMM Inc.	141,702	16,877
FedEx Corp.	29,598	6,507	Broadcom Inc.	47,839	16,607
Northrop Grumman Corp.	18,962	6,497	Texas Instruments Inc.	115,595	16,432
Waste Management Inc.	53,387	6,086	Oracle Corp.	258,276	14,779
Emerson Electric Co.	75,267	5,229	International Business		
Eaton Corp. plc	50,441	5,150	Machines Corp.	111,823	13,789
DuPont de Nemours Inc.	92,272	5,145	* Advanced Micro		
General Dynamics Corp.	30,672	4,581	Devices Inc.	147,381	13,385
TE Connectivity Ltd.	41,699	4,028	* ServiceNow Inc.	24,049	11,592
Agilent Technologies Inc.	38,836	3,900	Intuit Inc.	31,239	10,790
Cummins Inc.	18,588	3,852	Applied Materials Inc.	115,449	7,112
Johnson Controls			* Autodesk Inc.	27,636	6,790
International plc	93,728	3,818	* Micron Technology Inc.	140,147	6,378
PACCAR Inc.	43,553	3,739	Lam Research Corp.	18,319	6,161
* Square Inc.	22,859	3,647	Roper Technologies Inc.	13,138	5,612
Trane Technologies plc	30,132	3,567	Analog Devices Inc.	46,443	5,428
Parker-Hannifin Corp.	16,154	3,328	* Workday Inc. Class A	21,906	5,251
Stanley Black & Decker Inc.	20,128	3,247	L3Harris Technologies Inc.	27,247	4,925
Paychex Inc.	40,689	3,111			

## Mega Cap Index Fund

	Shares	Market Value* (\$000)
Cognizant Technology Solutions Corp. Class A	68,142	4,556
HP Inc.	180,131	3,522
* Zoom Video Communications Inc. Class A	10,000	3,251
* Dell Technologies Inc.	30,346	2,005
* VMware Inc. Class A	9,780	1,413
		<b>1,002,318</b>
<b>Telecommunications (2.1%)</b>		
Verizon Communications Inc.	521,439	30,906
AT&T Inc.	897,768	26,762
* T-Mobile US Inc.	78,898	9,206
		<b>66,874</b>
<b>Utilities (2.1%)</b>		
NextEra Energy Inc.	61,639	17,208
Dominion Energy Inc.	105,726	8,293
Duke Energy Corp.	92,593	7,439
Southern Co.	133,200	6,950
American Electric Power Co. Inc.	62,468	4,924
Xcel Energy Inc.	66,159	4,597
Sempra Energy	36,804	4,551
Exelon Corp.	122,659	4,527
Public Service Enterprise Group Inc.	63,719	3,329
Consolidated Edison Inc.	42,067	3,001
PPL Corp.	96,812	2,675
Edison International	23,862	1,252
		<b>68,746</b>
<b>Total Common Stocks (Cost \$2,054,406)</b>		<b>3,206,282</b>

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (0.1%)</b>		
<b>Money Market Fund (0.1%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.147%	13,603	1,360
	Face Amount (\$000)	
<b>U.S. Government and Agency Obligations (0.0%)</b>		
<sup>2</sup> United States Cash Management Bill, 0.116%, 9/29/20	50	50
<sup>2</sup> United States Cash Management Bill, 0.140%, 10/13/20	600	600
		<b>650</b>
<b>Total Temporary Cash Investments (Cost \$2,010)</b>		<b>2,010</b>
<b>Total Investments (99.7%) (Cost \$2,056,416)</b>		<b>3,208,292</b>
<b>Other Assets and Liabilities— Net (0.3%)</b>		<b>8,094</b>
<b>Net Assets (100%)</b>		<b>3,216,386</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

<sup>2</sup> Securities with a value of \$650,000 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	September 2020	58	10,147	456

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

# Statement of Assets and Liabilities

As of August 31, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$2,055,056)	3,206,932
Affiliated Issuers (Cost \$1,360)	1,360
Total Investment in Securities	3,208,292
Investment in Vanguard	125
Cash	37
Receivables for Accrued Income	4,917
Receivables for Capital Shares Issued	3,137
<b>Total Assets</b>	<b>3,216,508</b>
<b>Liabilities</b>	
Payables to Vanguard	107
Variation Margin Payable—Futures Contracts	15
<b>Total Liabilities</b>	<b>122</b>
<b>Net Assets</b>	<b>3,216,386</b>

At August 31, 2020, net assets consisted of:

Paid-in Capital	2,085,822
Total Distributable Earnings (Loss)	1,130,564
<b>Net Assets</b>	<b>3,216,386</b>

## ETF Shares—Net Assets

Applicable to 24,200,000 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,036,324
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$125.47</b>

## Institutional Shares—Net Assets

Applicable to 727,866 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	180,062
<b>Net Asset Value Per Share—Institutional Shares</b>	<b>\$247.38</b>

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

## Statement of Operations

	Year Ended August 31, 2020 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	47,659
Interest <sup>1</sup>	107
Securities Lending—Net	37
Total Income	47,803
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	372
Management and Administrative—ETF Shares	1,017
Management and Administrative—Institutional Shares	64
Marketing and Distribution—ETF Shares	116
Marketing and Distribution—Institutional Shares	5
Custodian Fees	18
Auditing Fees	32
Shareholders' Reports—ETF Shares	111
Shareholders' Reports—Institutional Shares	—
Trustees' Fees and Expenses	1
Total Expenses	1,736
Expenses Paid Indirectly	(10)
Net Expenses	1,726
<b>Net Investment Income</b>	<b>46,077</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	122,758
Futures Contracts	(1,205)
<b>Realized Net Gain (Loss)</b>	<b>121,553</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	472,415
Futures Contracts	449
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>472,864</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>640,494</b>

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$100,000, (\$7,000), and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

2 Includes \$134,469,000 of net gain (loss) resulting from in-kind redemptions; such gain (loss) is not taxable to the fund.

# Statement of Changes in Net Assets

	Year Ended August 31,	
	2020 (\$000)	2019 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	46,077	37,926
Realized Net Gain (Loss)	121,553	17,415
Change in Unrealized Appreciation (Depreciation)	472,864	21,521
Net Increase (Decrease) in Net Assets Resulting from Operations	640,494	76,862
<b>Distributions<sup>1</sup></b>		
ETF Shares	(41,365)	(34,093)
Institutional Shares	(2,886)	(2,519)
Total Distributions	(44,251)	(36,612)
<b>Capital Share Transactions</b>		
ETF Shares	532,703	364,632
Institutional Shares	(5,958)	25,154
Net Increase (Decrease) from Capital Share Transactions	526,745	389,786
Total Increase (Decrease)	1,122,988	430,036
<b>Net Assets</b>		
Beginning of Period	2,093,398	1,663,362
End of Period	3,216,386	2,093,398

<sup>1</sup> Certain prior period numbers have been reclassified to conform with current period presentation.

# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$101.36</b>	<b>\$100.26</b>	<b>\$85.02</b>	<b>\$74.19</b>	<b>\$67.35</b>
<b>Investment Operations</b>					
Net Investment Income	1.992 <sup>1</sup>	2.045 <sup>1</sup>	1.790 <sup>1</sup>	1.676 <sup>1</sup>	1.582
Net Realized and Unrealized Gain (Loss) on Investments	24.065	1.052	15.214	10.788	6.793
Total from Investment Operations	26.057	3.097	17.004	12.464	8.375
<b>Distributions</b>					
Dividends from Net Investment Income	(1.947)	(1.997)	(1.764)	(1.634)	(1.535)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.947)	(1.997)	(1.764)	(1.634)	(1.535)
<b>Net Asset Value, End of Period</b>	<b>\$125.47</b>	<b>\$101.36</b>	<b>\$100.26</b>	<b>\$85.02</b>	<b>\$74.19</b>
<b>Total Return</b>	<b>26.14%</b>	<b>3.26%</b>	<b>20.25%</b>	<b>17.01%</b>	<b>12.61%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$3,036	\$1,944	\$1,542	\$1,233	\$1,057
Ratio of Total Expenses to Average Net Assets	0.07%	0.07%	0.07%	0.07%	0.07%
Ratio of Net Investment Income to Average Net Assets	1.85%	2.10%	1.93%	2.12%	2.23%
Portfolio Turnover Rate <sup>2</sup>	4%	4%	4%	6%	7%

1 Calculated based on average shares outstanding.

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



# Financial Highlights

## Institutional Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$199.84</b>	<b>\$197.68</b>	<b>\$167.62</b>	<b>\$146.25</b>	<b>\$132.77</b>
<b>Investment Operations</b>					
Net Investment Income	3.943 <sup>1</sup>	4.053 <sup>1</sup>	3.513 <sup>1</sup>	3.362 <sup>1</sup>	3.117
Net Realized and Unrealized Gain (Loss) on Investments	47.454	2.062	30.038	21.220	13.419
Total from Investment Operations	51.397	6.115	33.551	24.582	16.536
<b>Distributions</b>					
Dividends from Net Investment Income	(3.857)	(3.955)	(3.491)	(3.212)	(3.056)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(3.857)	(3.955)	(3.491)	(3.212)	(3.056)
<b>Net Asset Value, End of Period</b>	<b>\$247.38</b>	<b>\$199.84</b>	<b>\$197.68</b>	<b>\$167.62</b>	<b>\$146.25</b>
<b>Total Return</b>	<b>26.19%</b>	<b>3.25%</b>	<b>20.26%</b>	<b>17.02%</b>	<b>12.63%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$180	\$150	\$122	\$132	\$133
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.06%	0.06%	0.06%
Ratio of Net Investment Income to Average Net Assets	1.86%	2.11%	1.94%	2.13%	2.24%
Portfolio Turnover Rate <sup>2</sup>	4%	4%	4%	6%	7%

1 Calculated based on average shares outstanding.

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

## Notes to Financial Statements

Vanguard Mega Cap Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Institutional Shares. Each of the share classes has different eligibility and minimum purchase requirements, and is designed for different types of investors. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

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. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities 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 gains (losses) on futures contracts.

During the year ended August 31, 2020, 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. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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 before the opening of the market 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 Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. 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 Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed 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 either

facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the “Order”) from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the “Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund’s investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day’s notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended August 31, 2020, the fund did not utilize the credit facilities or the Interfund Lending Program.

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 are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

B. In accordance with the terms of a Funds’ Service Agreement (the “FSA”) between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard’s cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2020, the fund had contributed to Vanguard capital in the amount of \$125,000, representing less than 0.01% of the fund’s net assets and 0.05% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2020, custodian fee offset arrangements reduced the fund's expenses by \$10,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of August 31, 2020, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	3,206,282	—	—	3,206,282
Temporary Cash Investments	1,360	650	—	2,010
Total	3,207,642	650	—	3,208,292
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Futures Contracts <sup>1</sup>	15	—	—	15

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

E. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for in-kind redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	134,470
Total Distributable Earnings (Loss)	(134,470)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	9,422
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(30,734)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	1,151,876

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income *	44,251	36,612
Long-Term Capital Gains	—	—
Total	44,251	36,612

\* Includes short-term capital gains, if any.

As of August 31, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	2,056,416
Gross Unrealized Appreciation	1,268,952
Gross Unrealized Depreciation	(117,076)
Net Unrealized Appreciation (Depreciation)	1,151,876

F. During the year ended August 31, 2020, the fund purchased \$854,724,000 of investment securities and sold \$327,671,000 of investment securities, other than temporary cash investments. Purchases and sales include \$737,310,000 and \$234,675,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2020, such purchases and sales were \$32,514,000 and \$39,782,000, respectively; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2020		2019	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	767,900	7,475	389,257	4,050
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(235,197)	(2,450)	(24,625)	(250)
Net Increase (Decrease)—ETF Shares	532,703	5,025	364,632	3,800
<b>Institutional Shares</b>				
Issued	14,779	73	38,620	203
Issued in Lieu of Cash Distributions	1,311	7	753	4
Redeemed	(22,048)	(102)	(14,219)	(73)
Net Increase (Decrease)—Institutional Shares	(5,958)	(22)	25,154	134

H. Management has determined that no events or transactions occurred subsequent to August 31, 2020, that would require recognition or disclosure in these financial statements.

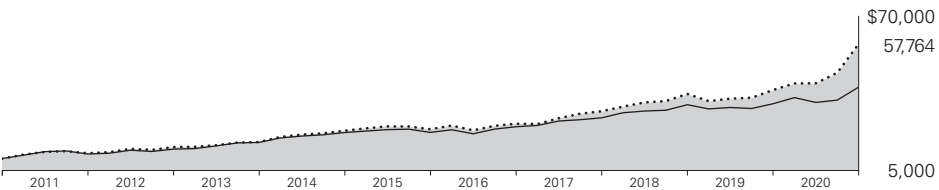
# Mega Cap Growth Index Fund

## 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: August 31, 2010, Through August 31, 2020

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended August 31, 2020				Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Mega Cap Growth Index Fund ETF Shares Net Asset Value	49.84%	21.04%	19.17%	\$57,764
Mega Cap Growth Index Fund ETF Shares Market Price	50.04	21.05	19.19	57,859
Spliced Mega Cap Growth Index	49.93	21.10	19.26	58,203
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.20	13.77	14.88	40,053

Spliced Mega Cap Growth Index: MSCI US Large Cap Growth Index through April 16, 2013; CRSP US Mega Cap Growth Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a \$5,000,000 Investment
Mega Cap Growth Index Fund Institutional Shares	49.87%	21.05%	19.19%	\$28,919,462
Spliced Mega Cap Growth Index	49.93	21.10	19.26	29,101,568
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.20	13.77	14.88	20,026,347

See Financial Highlights for dividend and capital gains information.



Cumulative Returns of ETF Shares: August 31, 2010, Through August 31, 2020

	One Year	Five Years	Ten Years
Mega Cap Growth Index Fund ETF Shares Market Price	50.04%	159.87%	478.59%
Mega Cap Growth Index Fund ETF Shares Net Asset Value	49.84	159.80	477.64
Spliced Mega Cap Growth Index	49.93	160.48	482.03

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.

# Fund Allocation

As of August 31, 2020

Basic Materials	1.4%
Consumer Goods	5.4
Consumer Services	20.8
Financials	9.5
Health Care	6.3
Industrials	8.3
Oil & Gas	0.2
Technology	47.6
Telecommunications	0.5

The table reflects the fund’s investments, except for short-term investments and derivatives. Sector categories are based on the Industry Classification Benchmark (“ICB”), except for the “Other” category (if applicable), which includes securities that have not been provided a ICB classification as of the effective reporting period.

The fund may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

# Financial Statements

## Schedule of Investments

As of August 31, 2020

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (100.0%)</b>					
<b>Basic Materials (1.4%)</b>					
Linde plc	359,996	89,905	Hilton Worldwide Holdings Inc.	190,026	17,171
Ecolab Inc.	175,412	34,570	* AutoZone Inc.	8,035	9,612
Newmont Corp.	273,808	18,422	Marriott International Inc. Class A	83,476	8,590
		<b>142,897</b>	Sirius XM Holdings Inc.	750,973	4,408
					<b>2,130,677</b>
<b>Consumer Goods (5.4%)</b>			<b>Financials (9.5%)</b>		
* Tesla Inc.	508,866	253,578	Visa Inc. Class A	1,156,317	245,128
NIKE Inc. Class B	849,853	95,090	Mastercard Inc. Class A	612,524	219,400
Colgate-Palmolive Co.	586,806	46,510	American Tower Corp.	303,784	75,688
Activision Blizzard Inc.	528,192	44,115	S&P Global Inc.	165,124	60,505
Estee Lauder Cos. Inc. Class A	138,591	30,729	Prologis Inc.	506,288	51,570
* Electronic Arts Inc.	197,848	27,594	Equinix Inc.	60,679	47,923
* Monster Beverage Corp.	252,807	21,200	Crown Castle International Corp.	285,648	46,632
Brown-Forman Corp. Class B	212,018	15,513	Marsh & McLennan Cos. Inc.	349,655	40,179
Hershey Co.	100,922	15,001	Intercontinental Exchange Inc.	375,001	39,836
Keurig Dr Pepper Inc.	289,190	8,627	Moody's Corp.	109,231	32,184
		<b>557,957</b>	Aon plc Class A	158,430	31,684
<b>Consumer Services (20.8%)</b>			Blackstone Group LP Class A	459,031	24,306
* Amazon.com Inc.	290,644	1,003,001	Public Storage	101,822	21,627
Home Depot Inc.	737,188	210,128	Charles Schwab Corp.	397,072	14,108
* Netflix Inc.	301,480	159,652	T. Rowe Price Group Inc.	73,979	10,299
McDonald's Corp.	509,619	108,814	Simon Property Group Inc.	104,809	7,111
Costco Wholesale Corp.	302,591	105,199	Boston Properties Inc.	23,921	2,078
Lowe's Cos. Inc.	517,511	85,229			<b>970,258</b>
Comcast Corp. Class A	1,560,752	69,937	<b>Health Care (6.3%)</b>		
Starbucks Corp.	800,743	67,639	Thermo Fisher Scientific Inc.	270,643	116,101
* Charter Communications Inc. Class A	99,013	60,953	* Intuitive Surgical Inc.	79,910	58,401
* Booking Holdings Inc.	27,962	53,420	Zoetis Inc.	325,494	52,112
TJX Cos. Inc.	738,946	40,487	* Vertex Pharmaceuticals Inc.	177,835	49,637
Dollar General Corp.	172,472	34,819	Becton Dickinson and Co.	202,089	49,061
* Uber Technologies Inc.	772,923	25,993			
* O'Reilly Automotive Inc.	50,879	23,691			
Ross Stores Inc.	243,443	22,173			
Yum! Brands Inc.	206,162	19,761			

# Mega Cap Growth Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Bristol-Myers Squibb Co.	775,344	48,226	* Advanced Micro Devices Inc.	801,273	72,772
Stryker Corp.	231,572	45,888	* ServiceNow Inc.	130,690	62,995
Danaher Corp.	218,283	45,069	Intuit Inc.	169,755	58,632
* Regeneron Pharmaceuticals Inc.	65,690	40,723	Applied Materials Inc.	628,384	38,708
* Boston Scientific Corp.	976,597	40,060	* Autodesk Inc.	150,315	36,932
* Edwards Lifesciences Corp.	424,774	36,463	* Micron Technology Inc.	762,475	34,700
* Illumina Inc.	100,697	35,971	Lam Research Corp.	99,491	33,463
* Alexion Pharmaceuticals Inc.	143,818	16,427	Roper Technologies Inc.	71,548	30,565
Baxter International Inc.	173,645	15,119	Analog Devices Inc.	252,636	29,528
		<b>649,258</b>	* Workday Inc. Class A	119,363	28,613
<b>Industrials (8.3%)</b>			L3Harris Technologies Inc.	148,061	26,761
* PayPal Holdings Inc.	804,774	164,287	* Zoom Video Communications Inc.		
Accenture plc Class A	436,521	104,735	Class A	54,291	17,650
Union Pacific Corp.	465,044	89,493	* VMware Inc. Class A	53,139	7,675
Fidelity National Information Services Inc.	423,466	63,880			<b>4,892,653</b>
Lockheed Martin Corp.	163,403	63,770	<b>Telecommunications (0.5%)</b>		
Boeing Co.	367,391	63,125	* T-Mobile US Inc.	430,631	50,246
United Parcel Service Inc. Class B	241,244	39,472	<b>Total Common Stocks</b>		<b>10,271,367</b>
Automatic Data Processing Inc.	279,812	38,919	<b>(Cost \$6,033,981)</b>		
* Fiserv Inc.	390,053	38,841	<b>Temporary Cash Investments (0.0%)</b>		
Illinois Tool Works Inc.	194,829	38,488	<b>Money Market Fund (0.0%)</b>		
Sherwin-Williams Co.	56,017	37,590	<sup>1</sup> Vanguard Market Liquidity Fund, 0.147%	6	1
Global Payments Inc.	205,054	36,217		Face Amount (\$000)	
Agilent Technologies Inc.	211,313	21,220			
* Square Inc.	124,463	19,859	<b>U.S. Government and Agency Obligations (0.0%)</b>		
Paychex Inc.	221,272	16,921	<sup>2</sup> United States Cash Management Bill, 0.210%, 9/15/20	475	475
Rockwell Automation Inc.	39,683	9,148			
Fortive Corp.	103,929	7,494	<b>Total Temporary Cash Investments</b>		<b>476</b>
		<b>853,459</b>	<b>(Cost \$476)</b>		
<b>Oil &amp; Gas (0.2%)</b>			<b>Total Investments (100.0%)</b>		<b>10,271,843</b>
EOG Resources Inc.	398,791	18,081	<b>(Cost \$6,034,457)</b>		
Pioneer Natural Resources Co.	56,586	5,881	<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>1,986</b>
		<b>23,962</b>	<b>Net Assets (100%)</b>		<b>10,273,829</b>
<b>Technology (47.6%)</b>			Cost is in \$000.		
Apple Inc.	10,694,356	1,380,000	• See Note A in Notes to Financial Statements.		
Microsoft Corp.	5,197,655	1,172,227	* Non-income-producing security.		
* Facebook Inc. Class A	1,648,065	483,213	<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
* Alphabet Inc. Class A	205,021	334,088	<sup>2</sup> Securities with a value of \$110,000 have been segregated as initial margin for open futures contracts.		
* Alphabet Inc. Class C	196,432	321,005			
NVIDIA Corp.	400,450	214,233			
* Adobe Inc.	330,274	169,559			
* salesforce.com Inc.	585,243	159,566			
Broadcom Inc.	260,301	90,363			
Texas Instruments Inc.	628,945	89,405			

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


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**Futures Contracts**


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			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
E-mini NASDAQ 100 Index	September 2020	7	1,696	11
E-mini S&P 500 Index	September 2020	4	700	10
				<hr/> 21

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

# Statement of Assets and Liabilities

As of August 31, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$6,034,456)	10,271,842
Affiliated Issuers (Cost \$1)	1
Total Investment in Securities	10,271,843
Investment in Vanguard	374
Receivables for Accrued Income	5,872
Receivables for Capital Shares Issued	38
Variation Margin Receivable—Futures Contracts	11
<b>Total Assets</b>	<b>10,278,138</b>
<b>Liabilities</b>	
Due to Custodian	3,974
Payables for Capital Shares Redeemed	5
Payables to Vanguard	329
Variation Margin Payable—Futures Contracts	1
<b>Total Liabilities</b>	<b>4,309</b>
<b>Net Assets</b>	<b>10,273,829</b>

At August 31, 2020, net assets consisted of:

Paid-in Capital	6,222,371
Total Distributable Earnings (Loss)	4,051,458
<b>Net Assets</b>	<b>10,273,829</b>

## ETF Shares—Net Assets

Applicable to 51,939,192 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	10,192,836
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$196.25</b>

## Institutional Shares—Net Assets

Applicable to 207,789 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	80,993
<b>Net Asset Value Per Share—Institutional Shares</b>	<b>\$389.78</b>

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

## Statement of Operations

	Year Ended August 31, 2020 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	59,245
Interest <sup>1</sup>	121
Securities Lending—Net	67
Total Income	59,433
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	918
Management and Administrative—ETF Shares	2,725
Management and Administrative—Institutional Shares	23
Marketing and Distribution—ETF Shares	299
Marketing and Distribution—Institutional Shares	2
Custodian Fees	41
Auditing Fees	32
Shareholders' Reports—ETF Shares	235
Shareholders' Reports—Institutional Shares	—
Trustees' Fees and Expenses	4
Total Expenses	4,279
<b>Net Investment Income</b>	<b>55,154</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	261,096
Futures Contracts	2,675
<b>Realized Net Gain (Loss)</b>	<b>263,771</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	2,767,396
Futures Contracts	38
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>2,767,434</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>3,086,359</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$119,000, (\$16,000), and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$315,426,000 of net gain (loss) resulting from in-kind redemptions; such gain (loss) is not taxable to the fund.

# Statement of Changes in Net Assets

	Year Ended August 31,	
	2020	2019
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	55,154	53,105
Realized Net Gain (Loss)	263,771	150,409
Change in Unrealized Appreciation (Depreciation)	2,767,434	(20,819)
Net Increase (Decrease) in Net Assets Resulting from Operations	3,086,359	182,695
<b>Distributions<sup>1</sup></b>		
ETF Shares	(51,457)	(33,904)
Institutional Shares	(515)	(331)
Total Distributions	(51,972)	(34,235)
<b>Capital Share Transactions</b>		
ETF Shares	2,801,123	89,447
Institutional Shares	6,716	(1,367)
Net Increase (Decrease) from Capital Share Transactions	2,807,839	88,080
Total Increase (Decrease)	5,842,226	236,540
<b>Net Assets</b>		
Beginning of Period	4,431,603	4,195,063
End of Period	10,273,829	4,431,603

<sup>1</sup> Certain prior period numbers have been reclassified to conform with current period presentation.



# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$132.22</b>	<b>\$127.79</b>	<b>\$104.09</b>	<b>\$87.15</b>	<b>\$80.22</b>
<b>Investment Operations</b>					
Net Investment Income	1.358 <sup>1</sup>	1.588 <sup>1</sup>	1.485 <sup>1</sup>	1.351 <sup>1</sup>	1.269
Net Realized and Unrealized Gain (Loss) on Investments	64.007	3.860	23.677	16.920	6.897
Total from Investment Operations	65.365	5.448	25.162	18.271	8.166
<b>Distributions</b>					
Dividends from Net Investment Income	(1.335)	(1.018)	(1.462)	(1.331)	(1.236)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.335)	(1.018)	(1.462)	(1.331)	(1.236)
<b>Net Asset Value, End of Period</b>	<b>\$196.25</b>	<b>\$132.22</b>	<b>\$127.79</b>	<b>\$104.09</b>	<b>\$87.15</b>
<b>Total Return</b>	<b>49.84%</b>	<b>4.32%</b>	<b>24.38%</b>	<b>21.17%</b>	<b>10.28%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$10,193	\$4,388	\$4,152	\$3,135	\$2,247
Ratio of Total Expenses to Average Net Assets	0.07%	0.07%	0.07%	0.07%	0.07%
Ratio of Net Investment Income to Average Net Assets	0.90%	1.30%	1.29%	1.43%	1.55%
Portfolio Turnover Rate <sup>2</sup>	6%	14%	9%	8%	12%

1 Calculated based on average shares outstanding.

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

# Financial Highlights

## Institutional Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$262.63</b>	<b>\$253.80</b>	<b>\$206.74</b>	<b>\$173.07</b>	<b>\$159.31</b>
<b>Investment Operations</b>					
Net Investment Income	2.707 <sup>1</sup>	3.184 <sup>1</sup>	2.963 <sup>1</sup>	2.699 <sup>1</sup>	2.528
Net Realized and Unrealized Gain (Loss) on Investments	127.126	7.684	47.023	33.622	13.693
Total from Investment Operations	129.833	10.868	49.986	36.321	16.221
<b>Distributions</b>					
Dividends from Net Investment Income	(2.683)	(2.038)	(2.926)	(2.651)	(2.461)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.683)	(2.038)	(2.926)	(2.651)	(2.461)
<b>Net Asset Value, End of Period</b>	<b>\$389.78</b>	<b>\$262.63</b>	<b>\$253.80</b>	<b>\$206.74</b>	<b>\$173.07</b>
<b>Total Return</b>	<b>49.87%</b>	<b>4.34%</b>	<b>24.39%</b>	<b>21.20%</b>	<b>10.28%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$81	\$43	\$43	\$35	\$30
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.06%	0.06%	0.06%
Ratio of Net Investment Income to Average Net Assets	0.91%	1.31%	1.30%	1.44%	1.56%
Portfolio Turnover Rate <sup>2</sup>	6%	14%	9%	8%	12%

<sup>1</sup> Calculated based on average shares outstanding.

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

## Notes to Financial Statements

Vanguard Mega Cap Growth Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Institutional Shares. Each of the share classes has different eligibility and minimum purchase requirements, and is designed for different types of investors. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

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. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities 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 gains (losses) on futures contracts.

During the year ended August 31, 2020, 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. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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 before the opening of the market 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 Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. 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 Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed 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 either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended August 31, 2020, the fund did not utilize the credit facilities or the Interfund Lending Program.

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 are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

**B.** In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2020, the fund had contributed to Vanguard capital in the amount of \$374,000, representing less than 0.01% of the fund's net assets and 0.15% of Vanguard's capital received pursuant to the FSA. 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 and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of August 31, 2020, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	10,271,367	—	—	10,271,367
Temporary Cash Investments	1	475	—	476
<b>Total</b>	<b>10,271,368</b>	<b>475</b>	<b>—</b>	<b>10,271,843</b>
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Futures Contracts <sup>1</sup>	11	—	—	11
<b>Liabilities</b>				
Futures Contracts <sup>1</sup>	1	—	—	1

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

D. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for in-kind redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	315,440
Total Distributable Earnings (Loss)	(315,440)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	12,633
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(198,561)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	4,237,386

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income *	51,972	34,235
Long-Term Capital Gains	—	—
Total	51,972	34,235

\* Includes short-term capital gains, if any.

As of August 31, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	6,034,457
Gross Unrealized Appreciation	4,292,810
Gross Unrealized Depreciation	(55,424)
Net Unrealized Appreciation (Depreciation)	4,237,386

E. During the year ended August 31, 2020, the fund purchased \$3,774,706,000 of investment securities and sold \$952,417,000 of investment securities, other than temporary cash investments. Purchases and sales include \$3,327,882,000 and \$570,205,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2020, such purchases and sales were \$147,720,000 and \$290,047,000, respectively; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2020		2019	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	3,379,154	22,750	602,968	4,900
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(578,031)	(4,000)	(513,521)	(4,200)
Net Increase (Decrease)—ETF Shares	2,801,123	18,750	89,447	700
<b>Institutional Shares</b>				
Issued	41,327	157	21,064	89
Issued in Lieu of Cash Distributions	515	2	290	1
Redeemed	(35,126)	(116)	(22,721)	(97)
Net Increase (Decrease)—Institutional Shares	6,716	43	(1,367)	(7)

G. Management has determined that no events or transactions occurred subsequent to August 31, 2020, that would require recognition or disclosure in these financial statements.



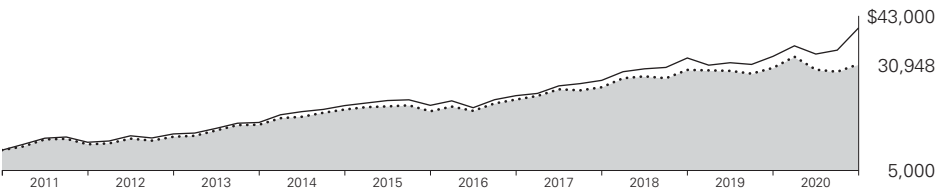
# Mega Cap Value Index Fund





## 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: August 31, 2010, Through August 31, 2020

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended August 31, 2020				Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
 Mega Cap Value Index Fund ETF Shares Net Asset Value	2.94%	9.71%	11.96%	\$30,948
 Mega Cap Value Index Fund ETF Shares Market Price	3.02	9.71	11.97	30,986
 Spliced Mega Cap Value Index	3.02	9.75	12.03	31,130
 Dow Jones U.S. Total Stock Market Float Adjusted Index	21.20	13.77	14.88	40,053

Spliced Mega Cap Value Index: MSCI US Large Cap Value Index through April 16, 2013; CRSP US Mega Cap Value Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a \$5,000,000 Investment
Mega Cap Value Index Fund Institutional Shares	3.00%	9.72%	11.98%	\$15,506,595
Spliced Mega Cap Value Index	3.02	9.75	12.03	15,565,163
Dow Jones U.S. Total Stock Market Float Adjusted Index	21.20	13.77	14.88	20,026,347

See Financial Highlights for dividend and capital gains information.

Cumulative Returns of ETF Shares: August 31, 2010, Through August 31, 2020

	One Year	Five Years	Ten Years
Mega Cap Value Index Fund ETF Shares Market Price	3.02%	58.93%	209.86%
Mega Cap Value Index Fund ETF Shares Net Asset Value	2.94	58.92	209.48
Spliced Mega Cap Value Index	3.02	59.20	211.30

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.

# Fund Allocation

As of August 31, 2020

Basic Materials	1.4%
Consumer Goods	12.4
Consumer Services	8.7
Financials	19.8
Health Care	23.4
Industrials	11.9
Oil & Gas	4.9
Technology	7.9
Telecommunications	4.4
Utilities	5.2

The table reflects the fund’s investments, except for short-term investments and derivatives. Sector categories are based on the Industry Classification Benchmark (“ICB”), except for the “Other” category (if applicable), which includes securities that have not been provided a ICB classification as of the effective reporting period.

The fund may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

# Financial Statements

## Schedule of Investments

As of August 31, 2020

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.8%)</b>			Target Corp.	149,532	22,611
<b>Basic Materials (1.4%)</b>			eBay Inc.	199,704	10,940
Air Products & Chemicals Inc.	66,040	19,301	Sysco Corp.	143,982	8,659
Dow Inc.	222,060	10,019	Walgreens Boots Alliance Inc.	223,081	8,481
PPG Industries Inc.	70,540	8,493	Kroger Co.	223,571	7,977
LyondellBasell Industries NV Class A	74,770	4,896	McKesson Corp.	48,364	7,421
		<b>42,709</b>	Southwest Airlines Co.	175,992	6,614
<b>Consumer Goods (12.4%)</b>			Las Vegas Sands Corp.	114,328	5,798
Procter & Gamble Co.	740,324	102,409	Marriott International Inc. Class A	36,281	3,734
PepsiCo Inc.	414,977	58,122	Delta Air Lines Inc.	95,218	2,937
Coca-Cola Co.	1,155,964	57,255	Fox Corp. Class A	53,801	1,499
Philip Morris International Inc.	465,633	37,153	Fox Corp. Class B	20,617	573
Mondelez International Inc. Class A	426,889	24,939			<b>272,113</b>
Altria Group Inc.	555,722	24,307	<b>Financials (19.8%)</b>		
Kimberly-Clark Corp.	101,795	16,059	* Berkshire Hathaway Inc. Class B	563,521	122,870
General Mills Inc.	181,262	11,592	JPMorgan Chase & Co.	865,684	86,733
General Motors Co.	385,202	11,414	Bank of America Corp.	2,335,078	60,105
Constellation Brands Inc. Class A	47,632	8,787	Citigroup Inc.	622,614	31,828
Ford Motor Co.	1,169,083	7,973	Wells Fargo & Co.	1,102,519	26,626
Archer-Daniels-Midland Co.	165,829	7,422	BlackRock Inc.	43,337	25,750
Kraft Heinz Co.	201,006	7,043	Goldman Sachs Group Inc.	102,849	21,071
VF Corp.	92,851	6,105	CME Group Inc.	107,319	18,874
Corteva Inc.	112,202	3,203	Morgan Stanley	353,499	18,474
Tyson Foods Inc. Class A	43,880	2,756	American Express Co.	180,630	18,350
Kellogg Co.	38,410	2,724	Progressive Corp.	175,042	16,636
		<b>389,263</b>	Truist Financial Corp.	402,902	15,637
<b>Consumer Services (8.7%)</b>			US Bancorp	405,411	14,757
Walt Disney Co.	540,194	71,235	Chubb Ltd.	114,735	14,342
Walmart Inc.	423,730	58,835	PNC Financial Services Group Inc.	120,529	13,403
Comcast Corp. Class A	681,084	30,519	Capital One Financial Corp.	136,358	9,413
CVS Health Corp.	390,852	24,280			

**Mega Cap Value Index Fund**

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Bank of New York Mellon Corp.	238,477	8,819	Raytheon Technologies Corp.	453,389	27,657
Travelers Cos. Inc.	75,685	8,782	Caterpillar Inc.	161,830	23,030
Allstate Corp.	93,982	8,740	Deere & Co.	93,561	19,653
Prudential Financial Inc.	118,195	8,010	CSX Corp.	228,860	17,499
MetLife Inc.	203,741	7,836	United Parcel Service Inc. Class B	105,307	17,230
American International Group Inc.	257,705	7,509	General Electric Co.	2,615,589	16,583
Aflac Inc.	204,000	7,409	Norfolk Southern Corp.	76,545	16,268
Welltower Inc.	125,003	7,190	FedEx Corp.	70,274	15,449
State Street Corp.	99,886	6,801	Northrop Grumman Corp.	44,837	15,362
Equity Residential	111,208	6,278	Waste Management Inc.	126,776	14,452
Charles Schwab Corp.	173,024	6,148	Emerson Electric Co.	178,690	12,414
T. Rowe Price Group Inc.	32,340	4,502	DuPont de Nemours Inc.	219,445	12,236
TD Ameritrade Holding Corp.	80,728	3,098	Eaton Corp. plc	119,586	12,210
Simon Property Group Inc.	45,663	3,098	General Dynamics Corp.	72,933	10,893
Discover Financial Services	45,747	2,428	TE Connectivity Ltd.	98,606	9,525
Northern Trust Corp.	29,486	2,415	Cummins Inc.	44,161	9,152
Ventas Inc.	55,715	2,296	Johnson Controls International plc	222,564	9,065
Fifth Third Bancorp	106,142	2,193	PACCAR Inc.	103,359	8,872
Boston Properties Inc.	10,429	906	Trane Technologies plc	71,627	8,480
*^ Rocket Cos. Inc. Class A	29,889	837	Parker-Hannifin Corp.	38,293	7,889
* Berkshire Hathaway Inc. Class A	1	328	Stanley Black & Decker Inc.	47,715	7,696
		<b>620,492</b>	Republic Services Inc. Class A	61,798	5,730
<b>Health Care (23.4%)</b>			Otis Worldwide Corp.	64,844	4,079
Johnson & Johnson	787,840	120,863	Corning Inc.	113,530	3,685
UnitedHealth Group Inc.	283,628	88,648	Fortive Corp.	45,264	3,264
Merck & Co. Inc.	754,780	64,360			<b>371,149</b>
Pfizer Inc.	1,661,058	62,771	<b>Oil &amp; Gas (4.9%)</b>		
Abbott Laboratories	528,919	57,901	Exxon Mobil Corp.	1,264,443	50,502
AbbVie Inc.	527,009	50,472	Chevron Corp.	558,319	46,860
Amgen Inc.	175,880	44,554	ConocoPhillips	320,677	12,150
Medtronic plc	400,726	43,066	Kinder Morgan Inc.	574,495	7,939
Eli Lilly and Co.	257,438	38,201	Schlumberger Ltd.	414,394	7,878
Gilead Sciences Inc.	375,062	25,035	Phillips 66	130,432	7,626
Anthem Inc.	75,388	21,223	Williams Cos. Inc.	363,051	7,537
Bristol-Myers Squibb Co.	338,332	21,044	Marathon Petroleum Corp.	194,601	6,901
Danaher Corp.	95,255	19,667	Valero Energy Corp.	122,127	6,423
Cigna Corp.	110,364	19,575			<b>153,816</b>
Humana Inc.	39,496	16,398	<b>Technology (7.8%)</b>		
* Biogen Inc.	48,845	14,050	Intel Corp.	1,266,143	64,510
HCA Healthcare Inc.	80,855	10,974	Cisco Systems Inc.	1,136,354	47,977
Zimmer Biomet Holdings Inc.	61,839	8,712	QUALCOMM Inc.	336,392	40,064
Baxter International Inc.	75,896	6,608	Oracle Corp.	612,995	35,076
		<b>734,122</b>	International Business Machines Corp.	265,528	32,742
<b>Industrials (11.8%)</b>			Cognizant Technology Solutions Corp. Class A	161,709	10,812
Honeywell International Inc.	209,871	34,744	HP Inc.	428,064	8,369
3M Co.	171,954	28,032	* Dell Technologies Inc.	71,950	4,754
					<b>244,304</b>

## Mega Cap Value Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Telecommunications (4.4%)</b>			<b>Temporary Cash Investments (0.0%)</b>		
Verizon Communications Inc.	1,237,551	73,350	<b>Money Market Fund (0.0%)</b>		
AT&T Inc.	2,130,658	63,515	<sup>1,2</sup> Vanguard Market Liquidity Fund, 0.147%	8,224	822
		<b>136,865</b>			
<b>Utilities (5.2%)</b>				Face Amount (\$000)	
NextEra Energy Inc.	146,357	40,858	<b>U.S. Government and Agency Obligations (0.0%)</b>		
Dominion Energy Inc.	250,889	19,680	<sup>3</sup> United States Cash Management Bill, 0.140%, 10/13/20	450	450
Duke Energy Corp.	219,759	17,655			
Southern Co.	316,011	16,489	<b>Total Temporary Cash Investments (Cost \$1,272)</b>		
American Electric Power Co. Inc.	148,226	11,685			<b>1,272</b>
Xcel Energy Inc.	157,146	10,918	<b>Total Investments (99.8%) (Cost \$2,728,589)</b>		
Sempra Energy	87,391	10,806			<b>3,129,287</b>
Exelon Corp.	291,228	10,749	<b>Other Assets and Liabilities—Net (0.2%)</b>		
Public Service Enterprise Group Inc.	151,315	7,905			<b>4,705</b>
Consolidated Edison Inc.	100,067	7,139	<b>Net Assets (100%)</b>		
PPL Corp.	229,373	6,338			<b>3,133,992</b>
Edison International	56,413	2,960			
		<b>163,182</b>			
<b>Total Common Stocks (Cost \$2,727,317)</b>					
		<b>3,128,015</b>			

Cost is in \$000.

• 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 \$792,000.

<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

<sup>2</sup> Collateral of \$821,000 was received for securities on loan.

<sup>3</sup> Securities with a value of \$424,000 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	September 2020	34	5,948	224

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

# Statement of Assets and Liabilities

As of August 31, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$2,727,767)	3,128,465
Affiliated Issuers (Cost \$822)	822
Total Investment in Securities	3,129,287
Investment in Vanguard	124
Receivables for Accrued Income	8,934
Receivables for Capital Shares Issued	12
<b>Total Assets</b>	<b>3,138,357</b>
<b>Liabilities</b>	
Due to Custodian	3,355
Collateral for Securities on Loan	821
Payables for Capital Shares Redeemed	75
Payables to Vanguard	105
Variation Margin Payable—Futures Contracts	9
<b>Total Liabilities</b>	<b>4,365</b>
<b>Net Assets</b>	<b>3,133,992</b>

At August 31, 2020, net assets consisted of:

Paid-in Capital	2,783,015
Total Distributable Earnings (Loss)	350,977
<b>Net Assets</b>	<b>3,133,992</b>

## ETF Shares—Net Assets

Applicable to 38,209,807 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,016,861
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$78.96</b>

## Institutional Shares—Net Assets

Applicable to 748,143 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	117,131
<b>Net Asset Value Per Share—Institutional Shares</b>	<b>\$156.56</b>

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

## Statement of Operations

	Year Ended August 31, 2020
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	82,216
Interest <sup>1</sup>	37
Securities Lending—Net	43
Total Income	82,296
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	416
Management and Administrative—ETF Shares	1,193
Management and Administrative—Institutional Shares	50
Marketing and Distribution—ETF Shares	139
Marketing and Distribution—Institutional Shares	3
Custodian Fees	25
Auditing Fees	32
Shareholders' Reports—ETF Shares	69
Shareholders' Reports—Institutional Shares	2
Trustees' Fees and Expenses	2
Total Expenses	1,931
<b>Net Investment Income</b>	<b>80,365</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	21,105
Futures Contracts	609
<b>Realized Net Gain (Loss)</b>	<b>21,714</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	18,119
Futures Contracts	143
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>18,262</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>120,341</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$34,000, (\$10,000), and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$56,212,000 of net gain (loss) resulting from in-kind redemptions; such gain (loss) is not taxable to the fund.



# Statement of Changes in Net Assets

	Year Ended August 31,	
	2020	2019
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	80,365	69,674
Realized Net Gain (Loss)	21,714	194,851
Change in Unrealized Appreciation (Depreciation)	18,262	(221,389)
Net Increase (Decrease) in Net Assets Resulting from Operations	120,341	43,136
<b>Distributions<sup>1</sup></b>		
ETF Shares	(74,008)	(64,527)
Institutional Shares	(3,648)	(3,466)
Total Distributions	(77,656)	(67,993)
<b>Capital Share Transactions</b>		
ETF Shares	526,191	351,597
Institutional Shares	(17,219)	5,455
Net Increase (Decrease) from Capital Share Transactions	508,972	357,052
Total Increase (Decrease)	551,657	332,195
<b>Net Assets</b>		
Beginning of Period	2,582,335	2,250,140
End of Period	3,133,992	2,582,335

<sup>1</sup> Certain prior period numbers have been reclassified to conform with current period presentation.

# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$78.94</b>	<b>\$79.89</b>	<b>\$70.19</b>	<b>\$63.52</b>	<b>\$56.89</b>
<b>Investment Operations</b>					
Net Investment Income	2.271 <sup>1</sup>	2.261 <sup>1</sup>	1.893 <sup>1</sup>	1.843 <sup>1</sup>	1.638
Net Realized and Unrealized Gain (Loss) on Investments	(.044)	(1.027)	9.668	6.557	6.583
Total from Investment Operations	2.227	1.234	11.561	8.400	8.221
<b>Distributions</b>					
Dividends from Net Investment Income	(2.207)	(2.184)	(1.861)	(1.730)	(1.591)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.207)	(2.184)	(1.861)	(1.730)	(1.591)
<b>Net Asset Value, End of Period</b>	<b>\$78.96</b>	<b>\$78.94</b>	<b>\$79.89</b>	<b>\$70.19</b>	<b>\$63.52</b>
<b>Total Return</b>	<b>2.94%</b>	<b>1.69%</b>	<b>16.71%</b>	<b>13.40%</b>	<b>14.71%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$3,017	\$2,448	\$2,120	\$1,717	\$1,322
Ratio of Total Expenses to Average Net Assets	0.07%	0.07%	0.07%	0.07%	0.07%
Ratio of Net Investment Income to Average Net Assets	2.90%	2.90%	2.50%	2.73%	2.84%
Portfolio Turnover Rate <sup>2</sup>	9%	10%	8%	8%	8%

1 Calculated based on average shares outstanding.

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

# Financial Highlights

## Institutional Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$156.53</b>	<b>\$158.41</b>	<b>\$139.18</b>	<b>\$125.94</b>	<b>\$112.80</b>
<b>Investment Operations</b>					
Net Investment Income	4.522 <sup>1</sup>	4.467 <sup>1</sup>	3.743 <sup>1</sup>	3.596 <sup>1</sup>	3.259
Net Realized and Unrealized Gain (Loss) on Investments	(.102)	(2.002)	19.188	13.077	13.063
Total from Investment Operations	4.420	2.465	22.931	16.673	16.322
<b>Distributions</b>					
Dividends from Net Investment Income	(4.390)	(4.345)	(3.701)	(3.433)	(3.182)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.390)	(4.345)	(3.701)	(3.433)	(3.182)
<b>Net Asset Value, End of Period</b>	<b>\$156.56</b>	<b>\$156.53</b>	<b>\$158.41</b>	<b>\$139.18</b>	<b>\$125.94</b>
<b>Total Return</b>	<b>3.00%</b>	<b>1.68%</b>	<b>16.71%</b>	<b>13.41%</b>	<b>14.72%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$117	\$134	\$131	\$125	\$207
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.06%	0.06%	0.06%
Ratio of Net Investment Income to Average Net Assets	2.89%	2.91%	2.51%	2.74%	2.85%
Portfolio Turnover Rate <sup>2</sup>	9%	10%	8%	8%	8%

1 Calculated based on average shares outstanding.

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

## Notes to Financial Statements

Vanguard Mega Cap Value Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Institutional Shares. Each of the share classes has different eligibility and minimum purchase requirements, and is designed for different types of investors. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

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. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities 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 gains (losses) on futures contracts.

During the year ended August 31, 2020, 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. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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 before the opening of the market 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 Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. 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 Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed 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 either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended August 31, 2020, the fund did not utilize the credit facilities or the Interfund Lending Program.

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 are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

**B.** In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2020, the fund had contributed to Vanguard capital in the amount of \$124,000, representing less than 0.01% of the fund's net assets and 0.05% of Vanguard's capital received pursuant to the FSA. 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 and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of August 31, 2020, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	3,128,015	—	—	3,128,015
Temporary Cash Investments	822	450	—	1,272
Total	3,128,837	450	—	3,129,287
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Futures Contracts <sup>1</sup>	9	—	—	9

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

D. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for in-kind redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	56,215
Total Distributable Earnings (Loss)	(56,215)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	16,445
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(66,166)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	400,698

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income *	77,656	67,993
Long-Term Capital Gains	—	—
Total	77,656	67,993

\* Includes short-term capital gains, if any.

As of August 31, 2020, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	2,728,589
Gross Unrealized Appreciation	624,821
Gross Unrealized Depreciation	(224,123)
Net Unrealized Appreciation (Depreciation)	400,698



E. During the year ended August 31, 2020, the fund purchased \$901,674,000 of investment securities and sold \$389,318,000 of investment securities, other than temporary cash investments. Purchases and sales include \$608,473,000 and \$144,076,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2020, such purchases and sales were \$104,294,000 and \$88,501,000, respectively; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	2020		Year Ended August 31, 2019	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	673,200	9,075	828,137	10,705
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(147,009)	(1,875)	(476,540)	(6,225)
Net Increase (Decrease)—ETF Shares	526,191	7,200	351,597	4,480
<b>Institutional Shares</b>				
Issued	7,676	51	24,632	157
Issued in Lieu of Cash Distributions	2,292	15	1,944	13
Redeemed	(27,187)	(177)	(21,121)	(136)
Net Increase (Decrease)—Institutional Shares	(17,219)	(111)	5,455	34

At August 31, 2020, one shareholder was the record or beneficial owner of 26% of the fund's net assets. If this shareholder were to redeem its investment in the fund, the redemption might result in an increase in the fund's expense ratio, cause the fund to incur higher transaction costs, or lead to the realization of taxable capital gains.

G. Management has determined that no events or transactions occurred subsequent to August 31, 2020, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard World Fund and Shareholders of Vanguard Mega Cap Index Fund, Vanguard Mega Cap Growth Index Fund and Vanguard Mega Cap Value Index Fund

## Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Vanguard Mega Cap Index Fund, Vanguard Mega Cap Growth Index Fund and Vanguard Mega Cap Value Index Fund (three of the funds constituting Vanguard World Fund, hereafter collectively referred to as the “Funds”) as of August 31, 2020, the related statements of operations for the year ended August 31, 2020, the statements of changes in net assets for each of the two years in the period ended August 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended August 31, 2020 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of August 31, 2020, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended August 31, 2020 and each of the financial highlights for each of the five years in the period ended August 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinions

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ 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 Funds 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 August 31, 2020 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 opinions.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
October 15, 2020

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

**Special 2020 tax information (unaudited) for Vanguard Mega Cap Index Funds**

This This information for the fiscal year ended August 31, 2020, is included pursuant to provisions of the Internal Revenue Code.

The funds distributed qualified dividend income to shareholders during the fiscal year as follows:

Fund	(\$000)
Mega Cap Index Fund	44,252
Mega Cap Growth Index Fund	51,973
Mega Cap Value Index Fund	77,657

For corporate shareholders, the percentage of investment income (dividend income plus short-term gains, if any) that qualifies for the dividends-received deduction is as follows:

Fund	Percentage
Mega Cap Index Fund	97.9%
Mega Cap Growth Index Fund	95.6
Mega Cap Value Index Fund	99.1

# Trustees Approve Advisory Arrangements

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

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

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

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

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

## **Nature, extent, and quality of services**

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

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

## **Investment performance**

The board considered the short- and long-term performance of each fund, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that each advisory arrangement should continue.

**Cost**

The board concluded that each fund's expense ratio was well below the average expense ratio charged by funds in its peer group and that each fund's advisory expenses were also well below the peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

**The benefit of economies of scale**

The board concluded that each fund's arrangement with Vanguard ensures that the funds will realize economies of scale as they grow, with the cost to shareholders declining as fund assets increase.

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

# Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund’s liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors’ interests in the fund.

Assessment and management of a fund’s liquidity risk under the Program take into consideration certain factors, such as the fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard World Fund approved the appointment of liquidity risk management program administrators responsible for administering the Program for Vanguard Mega Cap Index Fund, Vanguard Mega Cap Growth Index Fund, and Vanguard Mega Cap Value Index Fund, and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from December 1, 2018, through December 31, 2019 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the funds’ liquidity risk.

The CRSP US Mega Cap Index, CRSP US Mega Cap Growth Index, and CRSP US Mega Cap Value Index (the "Indexes") are products of the Center for Research in Security Prices ("CRSP") at the Booth School of Business of the University of Chicago ("University"), and have been licensed for use by Vanguard. CRSP® is a trademark of the University and has been licensed by the University for use for certain purposes by Vanguard. Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund are not sponsored, endorsed, sold or promoted by the University. The University makes no representation or warranty, express or implied, to the owners of Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund or any member of the public regarding the advisability of investing in securities generally or in Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund particularly or the ability of the Indexes to track general market performance. The Indexes are determined, composed and calculated without regard to Vanguard or Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund. The University has no obligation to take the needs of Vanguard or the owners of Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund into consideration in determining, composing or calculating the Index. The University is not responsible for and has not participated in the determination of the prices, and amount of Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund or the timing of the issuance or sale of Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund or in the determination or calculation of the equation by which Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund are to be converted into cash, surrendered or redeemed, as the case may be. The University has no obligation or liability in connection with the administration, marketing or trading of Vanguard Mega Cap Index Fund, Mega Cap Growth Index Fund, and Mega Cap Value Index Fund. There is no assurance that investment products based on the Indexes will accurately track index performance or provide positive investment returns. The University is not an investment advisor. Inclusion of a security within an index is not a recommendation by the University to buy, sell, or hold such security, nor is it considered to be investment advice.

THE UNIVERSITY DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEXES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. THE UNIVERSITY SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. THE UNIVERSITY MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY VANGUARD, OWNERS OF VANGUARD MEGA CAP INDEX FUND, MEGA CAP GROWTH INDEX FUND, AND MEGA CAP VALUE INDEX FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEXES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL THE UNIVERSITY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN THE UNIVERSITY AND VANGUARD, OTHER THAN THE LICENSORS, IF ANY, OF THE UNIVERSITY.

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# 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.

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 212 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. 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>

### Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (2019–present) of Vanguard and of each of the investment companies served by Vanguard; chief executive officer (2018–present) of Vanguard; chief executive officer, president, and trustee (2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Chairman of the board (2011–2017) and trustee (2009–2017) of the Children's Hospital of Philadelphia; and trustee (2018–present) and vice chair (2019–present) of The Shipley School.

Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology. Director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

### Amy Gutmann

Born in 1949. Trustee since June 2006. Principal occupation(s) during the past five years and other experience: president (2004–present) of the University of Pennsylvania. Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and professor of communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania.

## Independent Trustees

### Emerson U. Fullwood

Born in 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). Former president of the Worldwide Channels Group, Latin America, and

### F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services) and the Lumina Foundation. Director of the V Foundation. Member of the advisory

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

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 in 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) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

#### **Scott C. Malpass**

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired June 2020) and vice president (retired June 2020) of the University of Notre Dame. Assistant professor of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee (retired June 2020). Member of the board of Catholic Investment Services, Inc. (investment advisors) and the board of superintendence of the Institute for the Works of Religion.

#### **Deanna Mulligan**

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer (2011–present) of The Guardian Life Insurance Company of America. President (2010–2019), chief operating officer (2010–2011), and executive vice president (2008–2010) of Individual Life and Disability of The Guardian Life Insurance Company of America. Member of the board of The Guardian Life Insurance Company of America, the American Council of Life Insurers, and the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, NewYork-Presbyterian Hospital, Catalyst, and the Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

#### **André F. Perold**

Born in 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 (private investment firm). Member of the board of advisors and member of the investment committee of the Museum of Fine Arts Boston. Member of the board (2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

#### **Sarah Bloom Raskin**

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director (2017–present) of i(x) Investments, LLC; director (2017–present) of Reserve Trust. Rubenstein Fellow (2017–present) of Duke University; trustee (2017–present) of Amherst College, and trustee (2019–present) of the Folger Shakespeare Library.

#### **Peter F. Volanakis**

Born in 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) and director of Corning Incorporated (2000–2010) and Dow Corning (2001–2010). Director (2012) of SPX Corporation (multi-industry manufacturing). Overseer of the Amos Tuck School of Business Administration, Dartmouth College (2001–2013). 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

### John Bendl

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2019–present) of each of the investment companies served by Vanguard. Chief accounting officer, treasurer, and controller of Vanguard (2017–present). Partner (2003–2016) at KPMG (audit, tax, and advisory services).

### Glenn Booraem

Born in 1967. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (2017–present), treasurer (2015–2017), controller (2010–2015), and assistant controller (2001–2010) of each of the investment companies served by Vanguard.

### Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

### David Cermak

Born in 1960. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present) of each of the investment companies served by Vanguard. Managing director and head (2017–present) of Vanguard Investments Singapore. Managing director and head (2017–2019) of Vanguard Investments Hong Kong. Representative director and head (2014–2017) of Vanguard Investments Japan.

### Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present), chief financial officer (2008–2019), and treasurer (1998–2008) of each of the investment companies served by Vanguard.

### Peter Mahoney

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Controller (2015–present) of each of the investment companies served by Vanguard. Head of International Fund Services (2008–2014) at Vanguard.

### Anne E. Robinson

Born in 1970. Principal occupation(s) during the past five years and other experience: general counsel (2016–present) of Vanguard. Secretary (2016–present) of Vanguard and of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Managing director and general counsel of Global Cards and Consumer Services (2014–2016) at Citigroup. Counsel (2003–2014) at American Express.

### Michael Rollings

Born in 1963. Principal occupation(s) during the past five years and other experience: finance director (2017–present) and treasurer (2017) of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Chief financial officer (2016–present) of Vanguard. Director (2016–present) of Vanguard Marketing Corporation. Executive vice president and chief financial officer (2006–2016) of MassMutual Financial Group.

### John E. Schadt

Born in 1972. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2019–present) of Vanguard and of each of the investment companies served by Vanguard. Assistant vice president (2019–present) of Vanguard Marketing Corporation.

## Vanguard Senior Management Team

Joseph Brennan  
Mortimer J. Buckley  
Gregory Davis  
John James  
Martha G. King  
John T. Marcante

Chris D. McIsaac  
James M. Norris  
Thomas M. Rampulla  
Karin A. Risi  
Anne E. Robinson  
Michael Rollings



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You can review information about your fund on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

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