



Vanguard[®]

Vanguard 500 Index Fund Annual Report

December 31, 2008



- > For the year ended December 31, 2008, Vanguard 500 Index Fund returned about **-37%**, closely tracking the fund's benchmark.

- > U.S. equity markets plummeted in 2008 as the credit-market crisis intensified and fears about the global economy grew.

- > The fund suffered double-digit declines across all sectors, most notably in financials and information technology.

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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 Total Returns

Fiscal Year Ended December 31, 2008

	Ticker Symbol	Total Returns
Vanguard 500 Index Fund		
Investor Shares	VFINX	-37.02%
Admiral™ Shares ¹	VFIAX	-36.97
Signal® Shares ²	VIFSX	-36.97
S&P 500 Index		-37.00
Average Large-Cap Core Fund ³		-37.23

Your Fund's Performance at a Glance

December 31, 2007–December 31, 2008

	Starting Share Price	Ending Share Price	Distributions Per Share	
			Income Dividends	Capital Gains
Vanguard 500 Index Fund				
Investor Shares	\$135.15	\$83.09	\$2.505	\$0.000
Admiral Shares	135.15	83.09	2.594	0.000
Signal Shares	111.64	68.64	2.140	0.000

1 A lower-cost class of shares available to many longtime shareholders and to those with significant investments in the fund.

2 Signal Shares also carry lower costs and are available to certain institutional shareholders who meet specific administrative, service, and account-size criteria.

3 Derived from data provided by Lipper Inc.



President's Letter

Dear Shareholder,

During a punishing 2008, Vanguard 500 Index Fund returned about -37% , a disappointing result that reflected severe upheaval in global financial markets.

The fund fulfilled its objective of closely matching its unmanaged benchmark, the Standard & Poor's 500 Index. Its return was slightly better than the average return of competing large-capitalization core funds.

If you own the fund in a taxable account, you may wish to review the report on the fund's after-tax returns on page 27.

Global stock markets faced historic challenges

Problems that had festered in the financial markets for much of 2008 erupted in the year's final months, leading to high-profile bankruptcies and government rescues. U.S. stocks lost about -23% for the fourth quarter. For the full 12 months, the broad U.S. stock market returned about -37% , the worst calendar-year performance since 1931. The financial sector, the epicenter of the crisis, was hardest hit, but no sector was safe from the market's violent downdraft.

Overseas, the news was worse. Stock markets outside the United States returned about -45% , as credit-market turmoil and economic distress reverberated worldwide. Emerging markets fell especially hard, in part because of collapsing commodity prices, which put pressure on the group's many natural-resource producers.

U.S. Treasuries provided a safe and liquid haven

Bonds provided shelter from the stock market turmoil, though strength was largely confined to U.S. Treasuries. Treasuries surged as investors bid up the highest-quality, most liquid securities. The Federal Reserve Board added fuel to the rally with repeated cuts in its target for the federal funds rate, a benchmark for short-term interest rates. At the start of 2008, the federal funds rate stood at 4.25%; by year-end, it was between 0.00% and 0.25%.

U.S. government-backed mortgage securities also performed well, though corporate and municipal bonds struggled. For the full year, the broad taxable bond market returned 5.24%.

Fund skidded to losses as credit crisis deepened

After five straight years of positive returns, the U.S. stock market finished 2008 in disarray. Vanguard 500 Index Fund moved lower during the year's first half, then fell sharply in the second, as the financial crisis produced a number of high-profile bankruptcies and reorganizations.

Prices fell in all ten of the fund's sectors, especially financials, which provided more than one-quarter of the index's 12-month loss. Several major financial institutions required government assistance, went bankrupt, or were forced to merge. In this environment, the entire industry came under severe pressure.

Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2008		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	-37.60%	-8.66%	-2.04%
Russell 2000 Index (Small-caps)	-33.79	-8.29	-0.93
Dow Jones Wilshire 5000 Index (Entire market)	-37.34	-8.43	-1.67
MSCI All Country World Index ex USA (International)	-45.24	-6.57	3.00
Bonds			
Barclays Capital U.S. Aggregate Bond Index (Broad taxable market)	5.24%	5.51%	4.65%
Barclays Capital Municipal Bond Index	-2.47	1.86	2.71
Citigroup 3-Month Treasury Bill Index	1.80	3.76	3.10
CPI			
Consumer Price Index	0.09%	2.22%	2.67%

The information technology sector was another source of major weakness. Because of belt-tightening, many companies delayed making infrastructure and technology improvements. Sales of home computers and electronic components suffered, as consumers felt the squeeze.

A year ago, energy stocks were leading the market higher, with seemingly no limit to oil's surge. In recent months, this trend underwent a sharp reversal. Energy stocks, particularly oil companies, tumbled, chipping away at the fund's return. Industrials struggled, too, laid low by slowing business expansion and budget tightening. Even consumer staples, often a beacon during recessions, suffered losses.

Low expenses, sophisticated management, kept fund in line with index

Vanguard 500 Index Fund's Investor Shares have an average annual return of -1.46% for the decade ended December 31, 2008, a period that includes two of the worst bear markets on record. The result is no doubt discouraging. In our view, however, it does nothing to invalidate the long-term case for equities. We expect stocks to outperform less risky assets precisely *because* stocks can occasionally produce such dismal returns. Financial theory, affirmed by the historical evidence, dictates that investors need to be compensated for this risk.

Expense Ratios¹

Your Fund Compared With Its Peer Group

	Investor Shares	Admiral Shares	Signal Shares	Average Large-Cap Core Fund
500 Index Fund	0.15%	0.07%	0.07%	1.29%

¹ The fund expense ratios shown are from the prospectus dated April 29, 2008. For the fiscal year ended December 31, 2008, the 500 Index Fund's expense ratios were 0.16% for Investor Shares, 0.08% for Admiral Shares, and 0.08% for Signal Shares. The peer-group expense ratio is derived from data provided by Lipper Inc. and captures information through year-end 2007.

As low as it was, the fund's 10-year return was almost one percentage point higher than the average result of competing funds (most of which are actively managed). Also, the fund nearly matched the return of its unmanaged benchmark, which has no costs or operating expenses. That's a tribute to Vanguard's prudent management and the skill of the Quantitative Equity Group, which brings more than 30 years of index-tracking expertise to its mandate. Like all Vanguard funds, the 500 Index Fund also benefits from its modest operating costs.

One rocky decade does not diminish fund outlook

It's best to look at even longer time periods to properly assess your fund—and the financial market's performance. Since its inception in 1976, the 500 Index Fund has produced an average annual return of 10.03% for its Investor Shares, a figure that is much more in line with the financial market's results over the past 100 years.

To say the least, the investment environment was a difficult and challenging one in 2008, a year that brought extreme volatility to the financial markets and saw the world fall into a potentially deep recession.

Total Returns

Ten Years Ended December 31, 2008

	Average Annual Return
500 Index Fund Investor Shares	-1.46%
S&P 500 Index	-1.38
Average Large-Cap Core Fund ¹	-2.38

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

¹ Derived from data provided by Lipper Inc.

What's ahead for 2009? It's tough to say. We can't control the markets, the economy, or any number of other variables. What we can control, however, is how we respond to these variables. As always, we advise investors to develop or maintain a mix of stock, bond, and money market funds consistent with their goals and circumstances and with their willingness and ability to withstand the market's occasional downturns. Such an approach puts you in a good position to reap the stock market's expected long-term returns while keeping risk to a level that you can live with.

Vanguard 500 Index Fund can play an important role in such a portfolio, providing you with broadly diversified, low-cost exposure to large U.S. companies in a single portfolio.

Thank you for your confidence in Vanguard.

Sincerely,

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

F. William McNabb III
President and Chief Executive Officer
January 13, 2009

500 Index Fund

Fund Profile

As of December 31, 2008

Portfolio Characteristics

	Fund	Target Index ¹
Number of Stocks	510	500
Median Market Cap	\$39.5B	\$39.5B
Price/Earnings Ratio	11.3x	11.3x
Price/Book Ratio	1.8x	1.8x
Yield ²		3.0%
Investor Shares	2.8%	
Admiral Shares	2.9%	
Signal Shares	2.9%	
Return on Equity	22.1%	22.1%
Earnings Growth Rate	17.4%	17.4%
Foreign Holdings	0.0%	0.0%
Turnover Rate	6%	—
Expense Ratio (12/31/2007) ³		—
Investor Shares	0.15%	
Admiral Shares	0.07%	
Signal Shares	0.07%	
Short-Term Reserves	0.3%	—

Sector Diversification (% of equity exposure)

	Fund	Target Index ¹
Consumer Discretionary	8.4%	8.4%
Consumer Staples	12.9	12.9
Energy	13.3	13.3
Financials	13.3	13.3
Health Care	14.8	14.8
Industrials	11.1	11.1
Information Technology	15.2	15.3
Materials	3.0	2.9
Telecommunication Services	3.8	3.8
Utilities	4.2	4.2

Volatility Measures⁴

	Fund Versus Target Index ¹
R-Squared	1.00
Beta	1.00

Ten Largest Holdings⁵ (% of total net assets)

ExxonMobil Corp.	integrated oil and gas	5.1%
The Procter & Gamble Co.	household products	2.3
General Electric Co.	industrial conglomerate	2.1
AT&T Inc.	integrated telecommunications	2.1
Johnson & Johnson	pharmaceuticals	2.1
Chevron Corp.	integrated oil and gas	1.9
Microsoft Corp.	systems software	1.9
Wal-Mart Stores, Inc.	hypermarkets and super centers	1.6
Pfizer Inc.	pharmaceuticals	1.5
JPMorgan Chase & Co.	other diversified financial services	1.5
Top Ten		22.1%

Investment Focus

Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

1 S&P 500 Index.

2 30-day SEC yield for the fund; annualized dividend yield for the index. See the Glossary.

3 The expense ratios shown are from the prospectus dated April 29, 2008. For the fiscal year ended December 31, 2008, the expense ratios were 0.16% for Investor Shares, 0.08% for Admiral Shares, and 0.08% for Signal Shares.

4 For an explanation of *R-squared*, *beta*, and other terms used here, see the Glossary.

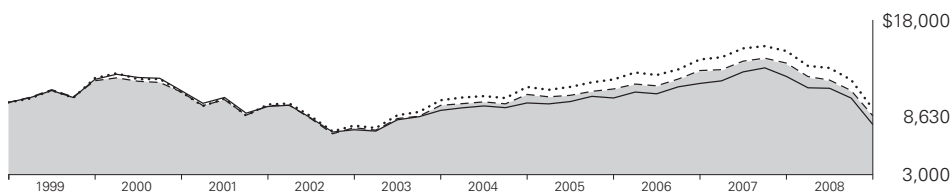
5 The holdings listed exclude any temporary cash investments and equity index products.

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 www.vanguard.com/performance.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: December 31, 1998–December 31, 2008

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended December 31, 2008			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
500 Index Fund Investor Shares ¹	-37.02%	-2.29%	-1.46%	\$8,630
Dow Jones Wilshire 5000 Index	-37.34	-1.67	-0.63	9,388
S&P 500 Index	-37.00	-2.19	-1.38	8,700
Average Large-Cap Core Fund ²	-37.23	-3.16	-2.38	7,859

	One Year	Five Years	Since Inception ³	Final Value of a \$100,000 Investment
500 Index Fund Admiral Shares	-36.97%	-2.21%	-3.13%	\$77,201
Dow Jones Wilshire 5000 Index	-37.34	-1.67	-2.26	83,059
S&P 500 Index	-37.00	-2.19	-3.10	77,388

	One Year	Since Inception ³	Final Value of a \$1,000,000 Investment
500 Index Fund Signal Shares	-36.97%	-14.13%	\$709,224
Dow Jones Wilshire 5000 Index	-37.34	-14.04	711,059
S&P 500 Index	-37.00	-14.14	709,153

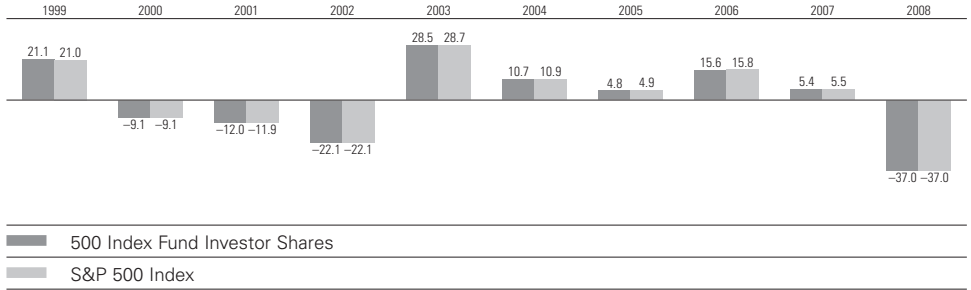
¹ Total returns do not include the account service fee that may be applicable to certain accounts with balances below \$10,000.

² Derived from data provided by Lipper Inc.

³ Performance for the fund and its comparative standards is calculated since the following inception dates: November 13, 2000, for Admiral Shares; September 29, 2006, for Signal Shares.

500 Index Fund

Fiscal Year Total Returns (%): December 31, 1998–December 31, 2008



Note: See Financial Highlights tables for dividend and capital gains information.

Financial Statements

Statement of Net Assets

December 31, 2008

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.4%)¹					
Consumer Discretionary (8.3%)					
McDonald's Corp.	10,545,298	655,812	J.C. Penney Co., Inc. (Holding Co.)	2,099,921	41,368
Comcast Corp. Class A	27,096,268	457,385	Macy's Inc.	3,976,487	41,157
The Walt Disney Co.	17,513,496	397,381	Harley-Davidson, Inc.	2,202,449	37,376
Home Depot, Inc.	16,041,529	369,276	Darden Restaurants Inc.	1,312,281	36,980
Time Warner, Inc.	33,942,688	341,463	Family Dollar Stores, Inc.	1,320,869	34,435
Lowe's Cos., Inc.	13,867,384	298,426	Hasbro, Inc.	1,171,934	34,185
Target Corp.	7,122,348	245,935	* GameStop Corp. Class A	1,544,659	33,457
News Corp., Class A	21,750,532	197,712	International Game Technology	2,798,966	33,280
NIKE, Inc. Class B	3,711,868	189,305	Starwood Hotels & Resorts Worldwide, Inc.	1,731,242	30,989
* Amazon.com, Inc.	3,042,927	156,041	Whirlpool Corp.	703,915	29,107
Yum! Brands, Inc.	4,376,260	137,852	Tiffany & Co.	1,172,483	27,706
Staples, Inc.	6,749,431	120,950	Limited Brands, Inc.	2,569,917	25,802
* DIRECTV Group, Inc.	5,164,211	118,312	Newell Rubbermaid, Inc.	2,620,048	25,624
* Viacom Inc. Class B	5,732,813	109,267	The Stanley Works	742,993	25,336
* Kohl's Corp.	2,879,739	104,247	* ^ Wynn Resorts Ltd.	581,062	24,556
Johnson Controls, Inc.	5,614,455	101,958	Polo Ralph Lauren Corp.	537,526	24,409
Carnival Corp.	4,131,629	100,481	Black & Decker Corp.	567,037	23,708
Best Buy Co., Inc.	3,193,931	89,781	Leggett & Platt, Inc.	1,477,374	22,441
TJX Cos., Inc.	3,938,877	81,023	Washington Post Co. Class B	56,663	22,113
Omnicom Group Inc.	2,951,852	79,464	Pulte Homes, Inc.	2,020,180	22,081
* Apollo Group, Inc. Class A	1,004,238	76,945	Snap-On Inc.	543,039	21,385
H & R Block, Inc.	3,219,308	73,143	* ^ Sears Holdings Corp.	526,263	20,456
The McGraw-Hill Cos., Inc.	2,975,301	68,997	Nordstrom, Inc.	1,507,931	20,071
* Starbucks Corp.	6,985,739	66,085	Abercrombie & Fitch Co.	822,946	18,985
* Coach, Inc.	3,105,079	64,492	Scripps Networks Interactive	849,802	18,696
* Bed Bath & Beyond, Inc.	2,462,356	62,593	^ General Motors Corp.	5,772,355	18,472
The Gap, Inc.	4,411,208	59,066	D. R. Horton, Inc.	2,604,528	18,414
Fortune Brands, Inc.	1,417,501	58,514	* Interpublic Group of Cos., Inc.	4,505,368	17,841
Genuine Parts Co.	1,508,288	57,104	Gannett Co., Inc.	2,156,938	17,256
Sherwin-Williams Co.	932,895	55,740	Eastman Kodak Co.	2,538,459	16,703
Mattel, Inc.	3,408,970	54,544	* Expedia, Inc.	1,978,596	16,304
Marriott International, Inc. Class A	2,789,485	54,255	RadioShack Corp.	1,182,681	14,121
CBS Corp.	6,357,416	52,067	* The Goodyear Tire & Rubber Co.	2,280,068	13,612
* ^ Ford Motor Co.	22,689,183	51,958	Centex Corp.	1,168,357	12,431
* AutoZone Inc.	361,687	50,444			
VF Corp.	836,423	45,811			

500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Lennar Corp. Class A	1,340,967	11,626	Coca-Cola Enterprises, Inc.	2,998,249	36,069
* Big Lots Inc.	778,130	11,275	The Estee Lauder		
Wyndham Worldwide Corp.	1,677,571	10,988	Cos. Inc. Class A	1,085,652	33,612
* ^ AutoNation, Inc.	1,022,505	10,102	SuperValu Inc.	2,008,293	29,321
^ KB Home	712,513	9,704	The Pepsi Bottling		
Harman International			Group, Inc.	1,291,348	29,068
Industries, Inc.	553,805	9,265	* Constellation Brands, Inc.		
^ New York Times Co.			Class A	1,832,878	28,904
Class A	1,101,513	8,074	* Dean Foods Co.	1,440,558	25,887
* Office Depot, Inc.	2,600,732	7,750	Tyson Foods, Inc.	2,837,060	24,853
Meredith Corp.	342,622	5,866	^ Whole Foods Market, Inc.	1,326,516	12,522
Jones Apparel Group, Inc.	790,875	4,635			9,564,406
Comcast Corp. Special			Energy (13.2%)		
Class A	150,777	2,435	ExxonMobil Corp.	48,128,128	3,842,068
* ^ Viacom Inc. Class A	71,693	1,442	Chevron Corp.	19,224,064	1,422,004
CBS Corp. Class A	71,693	591	ConocoPhillips Co.	14,105,482	730,664
News Corp., Class B	9,800	94	Schlumberger Ltd.	11,317,540	479,071
		6,238,533	Occidental		
Consumer Staples (12.8%)			Petroleum Corp.	7,662,664	459,683
The Procter & Gamble Co.	28,249,605	1,746,391	Devon Energy Corp.	4,179,977	274,666
Wal-Mart Stores, Inc.	21,154,748	1,185,935	Apache Corp.	3,166,397	235,992
The Coca-Cola Co.	18,825,317	852,222	XTO Energy, Inc.	5,457,391	192,482
Philip Morris			Marathon Oil Corp.	6,675,595	182,644
International Inc.	19,141,118	832,830	Anadarko Petroleum Corp.	4,343,077	167,426
PepsiCo, Inc.	14,694,921	804,841	EOG Resources, Inc.	2,361,285	157,214
CVS Caremark Corp.	13,588,798	390,542	Halliburton Co.	8,456,011	153,730
Kraft Foods Inc.	13,900,161	373,219	Hess Corp.	2,683,871	143,963
Colgate-Palmolive Co.	4,775,252	327,296	Valero Energy Corp.	4,881,976	105,646
Altria Group, Inc.	19,494,335	293,585	* National Oilwell Varco Inc.	3,946,613	96,455
Walgreen Co.	9,365,590	231,049	* Southwestern Energy Co.	3,245,036	94,009
Costco Wholesale Corp.	4,084,228	214,422	Baker Hughes Inc.	2,914,479	93,467
Kimberly-Clark Corp.	3,914,713	206,462	Spectra Energy Corp.	5,781,085	90,994
General Mills, Inc.	3,161,342	192,052	Chesapeake Energy Corp.	5,137,065	83,066
ArcherDaniels-Midland Co.	6,069,172	174,974	Noble Energy, Inc.	1,632,933	80,373
The Kroger Co.	6,173,221	163,035	Murphy Oil Corp.	1,800,702	79,861
Sysco Corp.	5,668,516	130,036	Williams Cos., Inc.	5,449,005	78,902
H.J. Heinz Co.	2,974,884	111,856	* Weatherford		
Kellogg Co.	2,383,416	104,513	International Ltd.	6,435,993	69,637
UST, Inc.	1,403,937	97,405	Peabody Energy Corp.	2,532,384	57,612
Avon Products, Inc.	4,025,152	96,724	Noble Corp.	2,506,765	55,299
Safeway, Inc.	4,055,886	96,408	El Paso Corp.	6,630,331	51,915
Lorillard, Inc.	1,596,269	89,950	Range Resources Corp.	1,466,544	50,434
The Clorox Co.	1,305,750	72,547	CONSOL Energy, Inc.	1,714,118	48,989
ConAgra Foods, Inc.	4,229,690	69,790	Sunoco, Inc.	1,104,978	48,022
Molson Coors			Smith International, Inc.	2,078,760	47,583
Brewing Co. Class B	1,408,076	68,883	* Cameron International Corp.	2,058,291	42,195
Sara Lee Corp.	6,679,329	65,391	ENSCO International, Inc.	1,341,544	38,086
Reynolds American Inc.	1,607,404	64,794	BJ Services Co.	2,781,354	32,458
Campbell Soup Co.	1,954,018	58,640	* Nabors Industries, Inc.	2,649,093	31,710
The Hershey Co.	1,566,998	54,438	Cabot Oil & Gas Corp.	977,222	25,408
J.M. Smucker Co.	1,115,586	48,372	Pioneer Natural		
Brown-Forman Corp.			Resources Co.	1,131,373	18,306
Class B	927,208	47,742	Tesoro Corp.	1,304,216	17,177
* Dr. Pepper Snapple			Rowan Cos., Inc.	1,068,530	16,990
Group, Inc.	2,398,766	38,980	Massey Energy Co.	802,221	11,063
McCormick & Co., Inc.	1,219,271	38,846			9,907,264

500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Financials (13.2%)					
JPMorgan Chase & Co.	35,314,107	1,113,454	Regions Financial Corp.	6,569,810	52,296
Wells Fargo & Co.	35,856,858	1,057,060	Ameriprise Financial, Inc.	2,051,182	47,916
Bank of America Corp.	47,424,338	667,735	The Hartford Financial Services Group Inc.	2,848,906	46,779
U.S. Bancorp	16,600,884	415,188	Lincoln National Corp.	2,428,437	45,752
The Goldman Sachs Group, Inc.	4,183,795	353,070	Fifth Third Bancorp	5,460,927	45,107
Citigroup Inc.	51,560,750	345,973	Cincinnati Financial Corp.	1,535,442	44,635
Bank of New York Mellon Corp.	10,857,576	307,595	Avalonbay Communities, Inc. REIT	728,510	44,133
MetLife, Inc.	7,508,432	261,744	Discover Financial Services	4,532,536	43,195
The Travelers Cos., Inc.	5,530,360	249,972	M & T Bank Corp.	729,447	41,878
American Express Co.	10,974,098	203,570	Amgen International Group, Inc.	25,424,853	39,917
AFLAC Inc.	4,410,142	202,161	KeyCorp	4,677,348	39,851
Merrill Lynch & Co., Inc.	15,207,775	177,018	* SLM Corp.	4,418,579	39,325
The Chubb Corp.	3,365,390	171,635	Kimco Realty Corp. REIT	2,147,162	39,250
The Allstate Corp.	5,070,784	166,119	Host Hotels & Resorts Inc. REIT	4,911,909	37,183
Morgan Stanley	10,047,592	161,163	Moody's Corp.	1,837,372	36,913
State Street Corp.	4,086,760	160,732	Torchmark Corp.	807,609	36,100
PNC Financial Services Group	3,273,570	160,405	National City Corp.	19,781,721	35,805
BB&T Corp.	5,227,159	143,538	ProLogis REIT	2,481,881	34,473
Charles Schwab Corp.	8,852,919	143,152	Assurant, Inc.	1,121,369	33,641
CME Group, Inc.	634,406	132,026	Marshall & Ilsley Corp.	2,453,135	33,461
Prudential Financial, Inc.	4,011,424	121,386	* Leucadia National Corp.	1,673,258	33,131
Capital One Financial Corp.	3,705,462	118,167	* Nasdaq Stock Market Inc.	1,285,511	31,765
Marsh & McLennan Cos., Inc.	4,863,732	118,043	Legg Mason Inc.	1,340,274	29,365
Aon Corp.	2,552,421	116,595	Comerica, Inc.	1,422,567	28,238
Simon Property Group, Inc. REIT	2,136,338	113,504	Zions Bancorp	1,084,330	26,577
Wachovia Corp.	20,413,481	113,091	Huntington Bancshares Inc.	3,462,150	26,520
Northern Trust Corp.	2,110,106	110,021	First Horizon National Corp.	1,942,626	20,534
SunTrust Banks, Inc.	3,344,346	98,792	CIT Group Inc.	3,422,566	15,538
Loews Corp.	3,423,872	96,724	* Sovereign Bancorp, Inc.	5,139,041	15,314
Progressive Corp. of Ohio	6,387,787	94,603	Federated Investors, Inc.	830,844	14,091
Public Storage, Inc. REIT	1,184,074	94,134	Janus Capital Group Inc.	1,511,224	12,135
Franklin Resources Corp.	1,430,970	91,267	XL Capital Ltd. Class A	3,137,899	11,610
T. Rowe Price Group Inc.	2,446,545	86,706	Genworth Financial Inc.	4,096,202	11,592
Hudson City Bancorp, Inc.	4,913,864	78,425	Apartment Investment & Management Co. Class A REIT	918,681	10,611
Vornado Realty Trust REIT	1,295,101	78,159	* CB Richard Ellis Group, Inc.	2,034,875	8,791
Equity Residential REIT	2,561,703	76,390	^ MBI, Inc.	1,853,303	7,543
NYSE Euronext	2,515,214	68,867	^ American Capital Ltd.	1,963,695	6,362
HCP, Inc. REIT	2,379,441	66,077	* ^ E*TRADE Financial Corp. Developers Diversified Realty Corp. REIT	5,086,001	5,849
Boston Properties, Inc. REIT	1,147,426	63,108		1,136,168	5,544
Unum Group	3,144,916	58,495			9,872,786
People's United Financial Inc.	3,280,277	58,487	Health Care (14.7%)		
* Intercontinental Exchange Inc.	686,127	56,564	Johnson & Johnson	26,251,946	1,570,654
The Principal Financial Group, Inc.	2,450,539	55,309	Pfizer Inc.	63,799,115	1,129,882
Plum Creek Timber Co. Inc. REIT	1,584,159	55,034	Abbott Laboratories	14,680,431	783,495
Invesco, Ltd.	3,657,071	52,808	Merck & Co., Inc.	20,003,497	608,106
			* Amgen Inc.	10,024,668	578,925
			Wyeth	12,597,869	472,546
			* Gilead Sciences, Inc.	8,703,711	445,108
			Bristol-Myers Squibb Co.	18,730,086	435,474

500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Eli Lilly & Co.	9,466,417	381,213	Industrials (11.0%)		
Medtronic, Inc.	10,579,992	332,423	General Electric Co.	99,378,321	1,609,929
Baxter International, Inc.	5,867,703	314,450	United Parcel Service, Inc.	9,415,959	519,384
UnitedHealth Group Inc.	11,427,626	303,975	United Technologies Corp.	8,994,218	482,090
Schering-Plough Corp.	15,380,348	261,927	3M Co.	6,556,355	377,253
* Celgene Corp.	4,335,050	239,642	The Boeing Co.	6,933,623	295,858
* WellPoint Inc.	4,816,150	202,904	Emerson Electric Co.	7,257,482	265,696
* Medco Health Solutions, Inc.	4,711,875	197,475	Lockheed Martin Corp.	3,150,043	264,856
Covidien Ltd.	4,764,444	172,663	Caterpillar, Inc.	5,707,426	254,951
* Genzyme Corp.	2,559,434	169,870	Union Pacific Corp.	4,791,534	229,035
Becton, Dickinson & Co.	2,303,085	157,508	Honeywell International Inc.	6,871,635	225,596
* Thermo Fisher Scientific, Inc.	3,975,696	135,452	General Dynamics Corp.	3,688,402	212,415
* Biogen Idec Inc.	2,760,318	131,474	Burlington Northern Santa Fe Corp.	2,655,828	201,073
* Express Scripts Inc.	2,341,196	128,719	Raytheon Co.	3,856,974	196,860
Aetna Inc.	4,362,453	124,330	FedEx Corp.	2,944,715	188,903
Allergan, Inc.	2,907,716	117,239	Norfolk Southern Corp.	3,503,270	164,829
Cardinal Health, Inc.	3,395,950	117,058	Deere & Co.	4,037,583	154,720
* Boston Scientific Corp.	14,189,619	109,828	Waste Management, Inc.	4,637,645	153,692
* St. Jude Medical, Inc.	3,256,242	107,326	Northrop Grumman Corp.	3,093,181	139,317
McKesson Corp.	2,608,813	101,039	DanaHER Corp.	2,419,004	136,940
Stryker Corp.	2,300,721	91,914	Illinois Tool Works, Inc.	3,723,786	130,519
* Zimmer Holdings, Inc.	2,129,686	86,082	CSX Corp.	3,732,110	121,182
C.R. Bard, Inc.	939,214	79,138	PACCAR, Inc.	3,435,627	98,259
Quest Diagnostics, Inc.	1,494,461	77,577	Tyco International, Ltd.	4,489,709	96,978
* Forest Laboratories, Inc.	2,851,215	72,620	C.H. Robinson Worldwide Inc.	1,607,537	88,463
* Laboratory Corp. of America Holdings	1,025,698	66,065	L3 Communications Holdings, Inc.	1,133,963	83,664
* Humana Inc.	1,597,015	59,537	ITT Industries, Inc.	1,718,447	79,031
AmerisourceBergen Corp.	1,477,850	52,700	Precision Castparts Corp.	1,317,606	78,371
* ^ Cephalon, Inc.	642,691	49,513	Eaton Corp.	1,560,078	77,551
* DaVita, Inc.	987,200	48,936	Fluor Corp.	1,724,004	77,356
* Intuitive Surgical, Inc.	367,133	46,622	Republic Services, Inc. Class A	3,033,933	75,211
* CIGNA Corp.	2,598,908	43,792	Expeditors International of Washington, Inc.	2,014,542	67,024
* Varian Medical Systems, Inc.	1,180,480	41,364	Parker Hannifin Corp.	1,530,572	65,111
* Hospira, Inc.	1,507,611	40,434	Southwest Airlines Co.	7,025,859	60,563
DENTSPLY International Inc.	1,405,656	39,696	Rockwell Collins, Inc.	1,507,276	58,919
* Life Technologies Corp.	1,631,163	38,022	Dover Corp.	1,759,291	57,916
* Waters Corp.	935,889	34,300	* Jacobs Engineering Group Inc.	1,157,437	55,673
* ^ Mylan Inc.	2,879,093	28,474	Ingersoll-Rand Co.	3,011,878	52,256
* Millipore Corp.	521,829	26,885	Cummins Inc.	1,916,651	51,232
* Watson Pharmaceuticals, Inc.	987,756	26,245	Pitney Bowes, Inc.	1,964,693	50,060
IMS Health, Inc.	1,719,628	26,070	W.W. Grainger, Inc.	612,661	48,302
* King Pharmaceuticals, Inc.	2,330,687	24,752	Cooper Industries, Inc. Class A	1,645,175	48,088
* Coventry Health Care Inc.	1,400,475	20,839	Rockwell Automation, Inc.	1,343,882	43,327
* Patterson Companies, Inc.	861,202	16,148	Goodrich Corp.	1,164,521	43,111
PerkinElmer, Inc.	1,129,966	15,718	^ Fastenal Co.	1,221,790	42,579
Teva Pharmaceutical Industries Ltd.			* Stericycle, Inc.	807,537	42,057
Sponsored ADR	110,433	4,701	The Dun & Bradstreet Corp.	509,749	39,353
* Tenet Healthcare Corp.	3,923,672	4,512	Masco Corp.	3,404,030	37,887
			Avery Dennison Corp.	1,006,876	32,955
			Textron, Inc.	2,289,858	31,760
		10,993,361			

500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Pall Corp.	1,116,878	31,753	* McAfee Inc.	1,378,654	47,660
Equifax, Inc.	1,194,804	31,686	Altera Corp.	2,813,115	47,007
Robert Half International, Inc.	1,474,228	30,693	Linear Technology Corp.	2,094,680	46,334
Cintas Corp.	1,249,819	29,033	Xilinx, Inc.	2,591,071	46,173
FlowsERVE Corp.	534,808	27,543	* NetApp, Inc.	3,095,713	43,247
R.R. Donnelley & Sons Co.	1,939,022	26,332	* Affiliated Computer Services, Inc. Class A	919,701	42,260
Ryder System, Inc.	533,749	20,699	* Autodesk, Inc.	2,127,127	41,798
* Monster Worldwide Inc.	1,176,091	14,219	* NVIDIA Corp.	5,100,940	41,165
The Manitowoc Co., Inc.	1,231,816	10,668	* Citrix Systems, Inc.	1,724,463	40,646
* Raytheon Co.			Amphenol Corp.	1,671,761	40,089
Warrants Exp. 6/16/11	60,569	963	KLA-Tencor Corp.	1,603,752	34,946
		8,231,744	* VeriSign, Inc.	1,826,941	34,858
Information Technology (15.2%)			Microchip Technology, Inc.	1,720,588	33,603
Microsoft Corp.	72,383,376	1,407,133	* FLIR Systems, Inc.	1,063,359	32,624
International Business Machines Corp.	12,711,238	1,069,778	* salesforce.com, inc.	983,910	31,495
* Cisco Systems, Inc.	55,398,485	902,995	* MEMC Electronic Materials, Inc.	2,136,046	30,503
Hewlett-Packard Co.	23,172,400	840,926	Fidelity National Information Services, Inc.	1,793,840	29,186
Intel Corp.	52,625,400	771,488	* Sun Microsystems, Inc.	6,986,299	26,688
* Apple Inc.	8,410,706	717,854	Total System Services, Inc.	1,869,185	26,169
* Google Inc.	2,263,331	696,314	* Teradata Corp.	1,687,771	25,030
* Oracle Corp.	37,064,646	657,156	* Akamai Technologies, Inc.	1,599,120	24,131
QUALCOMM Inc.	15,663,312	561,216	* SanDisk Corp.	2,127,594	20,425
* EMC Corp.	19,308,235	202,157	* LSI Corp.	6,085,900	20,023
Texas Instruments, Inc.	12,265,809	190,365	* Lexmark International, Inc.	741,297	19,941
Automatic Data Processing, Inc.	4,811,600	189,288	Molex, Inc.	1,344,889	19,487
* Dell Inc.	16,373,112	167,661	* Micron Technology, Inc.	7,196,118	18,998
* Yahoo! Inc.	13,129,530	160,180	National Semiconductor Corp.	1,843,507	18,564
* eBay Inc.	10,148,384	141,671	* QLogic Corp.	1,209,857	16,260
Corning, Inc.	14,705,750	140,146	* Compuware Corp.	2,331,077	15,735
Applied Materials, Inc.	12,686,278	128,512	* Tellabs, Inc.	3,759,313	15,488
* Symantec Corp.	7,934,235	107,271	Jabil Circuit, Inc.	1,985,928	13,405
* Adobe Systems, Inc.	5,015,809	106,787	* Novell, Inc.	3,275,176	12,740
MasterCard, Inc. Class A	683,967	97,759	* ^ Advanced Micro Devices, Inc.	5,741,463	12,402
Western Union Co.	6,769,925	97,081	* Novellus Systems, Inc.	940,643	11,608
Motorola, Inc.	21,420,802	94,894	* JDS Uniphase Corp.	2,027,467	7,400
* Juniper Networks, Inc.	5,014,370	87,802	* Convergys Corp.	1,151,957	7,384
Paychex, Inc.	3,033,828	79,729	* Teradyne, Inc.	1,598,564	6,746
* Intuit, Inc.	3,035,291	72,210	* Ciena Corp.	856,776	5,740
* Broadcom Corp.	4,218,391	71,586	Molex, Inc. Class A	4,051	52
Tyco Electronics Ltd.	4,346,487	70,457			11,376,674
CA, Inc.	3,724,260	69,011	Materials (3.0%)		
Xerox Corp.	8,189,054	65,267	Monsanto Co.	5,184,219	364,710
* Fiserv, Inc.	1,521,060	55,321	E.I. du Pont de Nemours & Co.	8,537,499	215,999
Analog Devices, Inc.	2,746,323	52,235	Newmont Mining Corp. (Holding Co.)	4,298,175	174,936
* Agilent Technologies, Inc.	3,324,249	51,958	Praxair, Inc.	2,917,799	173,201
* Computer Sciences Corp.	1,430,997	50,285	Nucor Corp.	2,970,293	137,228
* Cognizant Technology Solutions Corp.	2,757,490	49,800	Dow Chemical Co.	8,746,153	131,979
* Electronic Arts Inc.	3,014,661	48,355			
Harris Corp.	1,268,927	48,283			
* BMC Software, Inc.	1,773,807	47,733			

500 Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Air Products & Chemicals, Inc.	1,982,637	99,667	Utilities (4.2%)		
Freeport-McMoRan Copper & Gold, Inc. Class B	3,586,911	87,664	Exelon Corp.	6,224,832	346,163
Alcoa Inc.	7,601,325	85,591	Southern Co.	7,328,613	271,159
Rohm & Haas Co.	1,186,562	73,318	Dominion Resources, Inc.	5,500,209	197,127
^ Vulcan Materials Co.	1,038,504	72,259	FPL Group, Inc.	3,867,019	194,627
PPG Industries, Inc.	1,551,901	65,847	Duke Energy Corp.	11,971,254	179,689
Weyerhaeuser Co.	1,997,761	61,151	Energy Corp.	1,791,212	148,903
Ecolab, Inc.	1,592,308	55,970	FirstEnergy Corp.	2,882,325	140,023
Sigma-Aldrich Corp.	1,191,047	50,310	Public Service Enterprise Group, Inc.	4,788,194	139,672
International Paper Co.	4,042,761	47,705	PG&E Corp.	3,415,274	132,205
United States Steel Corp.	1,099,754	40,911	American Electric Power Co., Inc.	3,818,083	127,066
* Owens-Illinois, Inc.	1,379,034	37,689	PPL Corp.	3,541,028	108,674
Ball Corp.	894,763	37,213	Consolidated Edison Inc.	2,583,169	100,563
* Pactiv Corp.	1,237,870	30,798	Progress Energy, Inc.	2,489,019	99,187
CF Industries Holdings, Inc.	534,144	26,259	Edison International	3,080,726	98,953
Allegheny Technologies Inc.	914,497	23,347	Sempra Energy	2,304,985	98,262
Sealed Air Corp.	1,494,808	22,332	Xcel Energy, Inc.	4,265,069	79,117
Bemis Co., Inc.	942,183	22,311	Ameren Corp.	1,987,648	66,109
International Flavors & Fragrances, Inc.	742,827	22,077	DTE Energy Co.	1,542,197	55,010
Eastman Chemical Co.	685,948	21,751	Allegheny Energy, Inc.	1,596,669	54,063
MeadWestvaco Corp.	1,615,095	18,073	Qwestar Corp.	1,639,423	53,593
AK Steel Holding Corp.	1,063,600	9,913	* AES Corp.	6,361,257	52,417
^ Titanium Metals Corp.	806,626	7,106	Wisconsin Energy Corp.	1,105,542	46,411
		<u>2,217,315</u>	Constellation Energy Group, Inc.	1,686,253	42,308
Telecommunication Services (3.8%)			Equitable Resources, Inc.	1,240,653	41,624
AT&T Inc.	55,757,449	1,589,087	CenterPoint Energy Inc.	3,232,146	40,790
Verizon Communications Inc.	26,875,508	911,080	SCANA Corp.	1,031,541	36,723
* American Tower Corp. Class A	3,753,038	110,039	Pepco Holdings, Inc.	2,040,034	36,231
^ Qwest Communications International Inc.	13,858,760	50,446	Integrus Energy Group, Inc.	722,661	31,060
* Sprint Nextel Corp.	26,988,406	49,389	Pinnacle West Capital Corp.	952,396	30,600
Embarq Corp.	1,347,433	48,454	NiSource, Inc.	2,592,953	28,445
Windstream Corp.	4,156,761	38,242	TECO Energy, Inc.	2,011,535	24,842
Frontier Communications Corp.	2,987,616	26,112	CMS Energy Corp.	2,130,194	21,515
CenturyTel, Inc.	947,129	25,885	Nicor Inc.	426,899	14,830
		<u>2,848,734</u>	* Dynegy, Inc.	4,795,814	9,592
					<u>3,147,553</u>
			Total Common Stocks		
			(Cost \$69,583,754)		74,398,370

500 Index Fund

	Shares	Market Value* (\$000)
Temporary Cash Investments (1.2%)¹		
Money Market Fund (1.1%)		
^{2,3} Vanguard Market Liquidity Fund, 1.378%	849,835,676	849,836
	Face Amount (\$000)	
U.S. Agency Obligations (0.1%)		
⁴ Federal Home Loan Bank		
⁵ 2.574%, 2/27/09	20,000	19,997
⁴ Federal Home Loan Mortgage Corp.		
⁵ 2.642%, 2/19/09	20,000	19,997
⁵ 1.204%, 2/23/09	23,000	22,997
⁵ 1.205%, 3/20/09	18,000	17,992
		80,983
Total Temporary Cash Investments (Cost \$930,596)		930,819
Total Investments (100.6%) (Cost \$70,514,350)		75,329,189
Other Assets and Liabilities (-0.6%)		
Other Assets		701,327
Liabilities ³		(1,144,486)
		(443,159)
Net Assets (100%)		74,886,030

At December 31, 2008, net assets consisted of:

	Amount (\$000)
Paid-in Capital	77,988,310
Overdistributed Net Investment Income	(225,108)
Accumulated Net Realized Losses	(7,706,387)
Unrealized Appreciation (Depreciation)	
Investment Securities	4,814,839
Futures Contracts	14,376
Net Assets	74,886,030

Investor Shares—Net Assets

Applicable to 466,701,865 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)	38,778,051
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Net Asset Value Per Share—Investor Shares

\$83.09

Admiral Shares—Net Assets

Applicable to 276,918,445 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)	23,009,423
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Net Asset Value Per Share—Admiral Shares

\$83.09

Signal Shares—Net Assets

Applicable to 190,837,159 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)	13,098,556
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Net Asset Value Per Share—Signal Shares

\$68.64

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

[^] Part of security position is on loan to broker-dealers. The total value of securities on loan is \$212,896,000.

¹ The fund invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the fund's effective common stock and temporary cash investment positions represent 100.0% and 0.6%, respectively, of net assets.

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

³ Includes \$235,695,000 of collateral received for securities on loan.

⁴ The issuer operates under a congressional charter; its securities are neither issued nor guaranteed by the U.S. government.

⁵ Securities with a value of \$80,983,000 have been segregated as initial margin for open futures contracts.

ADR—American Depositary Receipt.

REIT—Real Estate Investment Trust.

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

Statement of Operations

	Year Ended December 31, 2008
	(\$000)
Investment Income	
Income	
Dividends	2,319,593
Interest ¹	10,736
Security Lending	29,353
Total Income	2,359,682
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	2,411
Management and Administrative—Investor Shares	66,775
Management and Administrative—Admiral Shares	16,017
Management and Administrative—Signal Shares	9,933
Marketing and Distribution—Investor Shares	13,333
Marketing and Distribution—Admiral Shares	7,335
Marketing and Distribution—Signal Shares	3,840
Custodian Fees	272
Auditing Fees	27
Shareholders' Reports—Investor Shares	1,214
Shareholders' Reports—Admiral Shares	49
Shareholders' Reports—Signal Shares	119
Trustees' Fees and Expenses	159
Total Expenses	121,484
Net Investment Income	2,238,198
Realized Net Gain (Loss)	
Investment Securities Sold	(1,916,742)
Futures Contracts	(113,877)
Realized Net Gain (Loss)	(2,030,619)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	(44,977,422)
Futures Contracts	14,504
Change in Unrealized Appreciation (Depreciation)	(44,962,918)
Net Increase (Decrease) in Net Assets Resulting from Operations	(44,755,339)

¹ Interest income from an affiliated company of the fund was \$9,727,000.

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

Statement of Changes in Net Assets

	Year Ended December 31,	
	2008 (\$000)	2007 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	2,238,198	2,288,863
Realized Net Gain (Loss)	(2,030,619)	1,378,958
Change in Unrealized Appreciation (Depreciation)	(44,962,918)	2,871,929
Net Increase (Decrease) in Net Assets Resulting from Operations	(44,755,339)	6,539,750
Distributions		
Net Investment Income		
Investor Shares	(1,158,418)	(1,246,791)
Admiral Shares	(714,034)	(874,969)
Signal Shares	(420,262)	(181,450)
Realized Capital Gain		
Investor Shares	—	—
Admiral Shares	—	—
Signal Shares	—	—
Total Distributions	(2,292,714)	(2,303,210)
Capital Share Transactions		
Investor Shares	(445,693)	(11,330,836)
Admiral Shares	292,556	(11,692,119)
Signal Shares	214,326	21,467,078
Net Increase (Decrease) from Capital Share Transactions	61,189	(1,555,877)
Total Increase (Decrease)	(46,986,864)	2,680,663
Net Assets		
Beginning of Period	121,872,894	119,192,231
End of Period ¹	74,886,030	121,872,894

¹ *Net Assets—End of Period* includes undistributed (overdistributed) net investment income of (\$225,108,000) and (\$170,592,000).

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

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2008	2007	2006	2005	2004
Net Asset Value, Beginning of Period	\$135.15	\$130.59	\$114.92	\$111.64	\$102.67

Investment Operations

Net Investment Income	2,443	2,470	2,110	1,950	1,950
Net Realized and Unrealized Gain (Loss) on Investments	(51,998)	4,580	15,700	3,310	8,970
Total from Investment Operations	(49,555)	7,050	17,810	5,260	10,920

Distributions

Dividends from Net Investment Income	(2,505)	(2,490)	(2,140)	(1,980)	(1,950)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2,505)	(2,490)	(2,140)	(1,980)	(1,950)
Net Asset Value, End of Period	\$83.09	\$135.15	\$130.59	\$114.92	\$111.64

Total Return¹	-37.02%	5.39%	15.64%	4.77%	10.74%
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Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$38,778	\$63,327	\$72,013	\$69,375	\$84,167
Ratio of Total Expenses to Average Net Assets	0.16%	0.15%	0.18%	0.18%	0.18%
Ratio of Net Investment Income to Average Net Assets	2.16%	1.81%	1.74%	1.75%	1.86%
Portfolio Turnover Rate ²	6%	5%	5%	6%	3%

¹ Total returns do not include the account service fee that may be applicable to certain accounts with balances below \$10,000.

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

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2008	2007	2006	2005	2004
Net Asset Value, Beginning of Period	\$135.15	\$130.59	\$114.92	\$111.64	\$102.68
Investment Operations					
Net Investment Income	2,534	2,583	2,222	2,052	2,030
Net Realized and Unrealized Gain (Loss) on Investments	(52,000)	4,576	15,700	3,310	8,970
Total from Investment Operations	(49,466)	7,159	17,922	5,362	11,000
Distributions					
Dividends from Net Investment Income	(2,594)	(2,599)	(2,252)	(2,082)	(2,040)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2,594)	(2,599)	(2,252)	(2,082)	(2,040)
Net Asset Value, End of Period	\$83.09	\$135.15	\$130.59	\$114.92	\$111.64
Total Return	-36.97%	5.47%	15.75%	4.87%	10.82%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$23,009	\$37,113	\$46,467	\$38,028	\$22,412
Ratio of Total Expenses to Average Net Assets	0.08%	0.07%	0.09%	0.09%	0.09%
Ratio of Net Investment Income to Average Net Assets	2.24%	1.89%	1.83%	1.84%	1.96%
Portfolio Turnover Rate ¹	6%	5%	5%	6%	3%

¹ Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares. See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

Signal Shares

For a Share Outstanding Throughout Each Period	Year Ended Dec. 31,		Sept. 29,, 2006, ¹ to Dec. 31, 2006
	2008	2007	2006
Net Asset Value, Beginning of Period	\$111.64	\$107.86	\$101.61
Investment Operations			
Net Investment Income	2.092	2.119	.502
Net Realized and Unrealized Gain (Loss) on Investments	(42.952)	3.794	6.287
Total from Investment Operations	(40.860)	5.913	6.789
Distributions			
Dividends from Net Investment Income	(2.140)	(2.133)	(.539)
Distributions from Realized Capital Gains	—	—	—
Total Distributions	(2.140)	(2.133)	(.539)
Net Asset Value, End of Period	\$68.64	\$111.64	\$107.86
Total Return	-36.97%	5.47%	6.68%
Ratios/Supplemental Data			
Net Assets, End of Period (Millions)	\$13,099	\$21,433	\$713
Ratio of Total Expenses to Average Net Assets	0.08%	0.07%	0.09% ³
Ratio of Net Investment Income to Average Net Assets	2.24%	1.89%	1.83% ³
Portfolio Turnover Rate ²	6%	5%	5%

¹ Inception.

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.

³ Annualized.

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

Notes to Financial Statements

Vanguard 500 Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers three classes of shares: Investor Shares, Admiral Shares, and Signal Shares. Investor Shares are available to any investor who meets the fund's minimum purchase requirements. Admiral Shares are designed for investors who meet certain administrative, service, tenure, and account-size criteria. Signal Shares are designed for institutional investors who meet certain administrative, service, and account-size criteria.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. mutual funds. 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 acquired over 60 days to maturity 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. Other temporary cash investments are valued at amortized cost, which approximates market value.

2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, enhancing returns, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The fund may seek to enhance returns by using futures contracts instead of the underlying securities when futures are believed to be priced more attractively than the underlying securities. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market.

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

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken on federal income tax returns for all open tax years (tax years ended December 31, 2005–2008), and has concluded that no provision for federal income tax is required in the fund's financial statements.

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

5. **Security Lending:** The fund may lend its securities to qualified institutional borrowers to earn additional income. Security loans are required to be secured at all times by collateral at least equal to the market value of securities loaned. The fund invests cash collateral received in Vanguard Market

Liquidity Fund, and records a liability for the return of the collateral, during the period the securities are on loan. Security lending income represents the income earned on investing cash collateral, less expenses associated with the loan.

6. 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. 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. The Vanguard Group furnishes at cost investment advisory, corporate management, administrative, marketing, and distribution services. The costs of such services are allocated to the fund under methods approved by the board of trustees. The fund has committed to provide up to 0.40% of its net assets in capital contributions to Vanguard. At December 31, 2008, the fund had contributed capital of \$19,939,000 to Vanguard (included in Other Assets), representing 0.03% of the fund's net assets and 7.97% of Vanguard's capitalization. The fund's trustees and officers are also directors and officers of Vanguard.

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

During the year ended December 31, 2008, the fund realized \$26,245,000 of net capital gains resulting from in-kind redemptions—in which shareholders exchange fund shares for securities held by the fund rather than for cash. Because such gains are not taxable to the fund, and are not distributed to shareholders, they have been reclassified from accumulated net realized losses to paid-in capital.

For tax purposes, at December 31, 2008, the fund had \$15,951,000 of ordinary income available for distribution. The fund had available realized losses of \$7,386,974,000 to offset future net capital gains of \$430,361,000 through December 31, 2009, \$3,087,963,000 through December 31, 2010, \$145,498,000 through December 31, 2011, \$44,874,000 through December 31, 2012, \$757,853,000 through December 31, 2013, \$1,156,455,000 through December 31, 2014, and \$1,763,970,000 through December 31, 2016.

At December 31, 2008, the cost of investment securities for tax purposes was \$70,815,775,000. Net unrealized appreciation of investment securities for tax purposes was \$4,513,414,000, consisting of unrealized gains of \$22,864,298,000 on securities that had risen in value since their purchase and \$18,350,884,000 in unrealized losses on securities that had fallen in value since their purchase.

At December 31, 2008, the aggregate settlement value of open futures contracts expiring in March 2009 and the related unrealized appreciation (depreciation) were:

		(\$000)	
Futures Contracts	Number of Long (Short) Contracts	Aggregate Settlement Value	Unrealized Appreciation (Depreciation)
S&P 500 Index	1,908	429,348	13,259
E-mini S&P 500 Index	1,194	53,736	1,117

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

D. During the year ended December 31, 2008, the fund purchased \$5,870,798,000 of investment securities and sold \$6,352,184,000 of investment securities, other than temporary cash investments.

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

	Year Ended December 31,			
	2008		2007	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	8,623,602	79,879	8,861,924	65,448
Issued in Lieu of Cash Distributions	1,121,903	10,825	1,205,688	8,811
Redeemed	(10,191,198)	(92,585)	(21,398,448)	(157,123)
Net Increase (Decrease)—Investor Shares	(445,693)	(1,881)	(11,330,836)	(82,864)
Admiral Shares				
Issued	4,245,265	40,714	7,899,760	58,273
Issued in Lieu of Cash Distributions	627,499	6,044	772,424	5,640
Redeemed	(4,580,208)	(44,442)	(20,364,303)	(145,129)
Net Increase (Decrease)—Admiral Shares	292,556	2,316	(11,692,119)	(81,216)
Signal Shares				
Issued	5,268,980	58,305	22,704,623	196,291
Issued in Lieu of Cash Distributions	386,239	4,497	169,722	1,495
Redeemed	(5,440,893)	(63,953)	(1,407,267)	(12,407)
Net Increase (Decrease)—Signal Shares	214,326	(1,151)	21,467,078	185,379

F. In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157 ("FAS 157"), "Fair Value Measurements." FAS 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements in financial statements.

The various inputs that may be used to determine the value of the fund's investments are summarized in three broad levels. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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

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

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

The following table summarizes the fund's investments as of December 31, 2008, based on the inputs used to value them:

Valuation Inputs	Investments in Securities (\$000)	Futures Contracts (\$000)
Level 1—Quoted prices	75,248,206	14,376
Level 2—Other significant observable inputs	80,983	—
Level 3—Significant unobservable inputs	—	—
Total	75,329,189	14,376

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying statement of net assets and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Vanguard 500 Index Fund (constituting a separate portfolio of Vanguard Index Funds, hereafter referred to as the "Fund") at December 31, 2008, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2008 by correspondence with the custodian and broker, and by agreement to the underlying ownership records for Vanguard Market Liquidity Fund, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania

February 13, 2009

Special 2008 tax information (unaudited) for Vanguard 500 Index Fund

This information for the fiscal year ended December 31, 2008, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$2,292,713,000 of qualified dividend income to shareholders during the fiscal year.

For corporate shareholders, 98.2% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

Your Fund's After-Tax Returns

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

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

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

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

Average Annual Total Returns: 500 Index Fund Investor Shares¹

Periods Ended December 31, 2008

	One Year	Five Years	Ten Years
Returns Before Taxes	-37.02%	-2.29%	-1.46%
Returns After Taxes on Distributions	-37.25	-2.57	-1.83
Returns After Taxes on Distributions and Sale of Fund Shares	-23.66	-1.84	-1.29

¹ Total returns do not include the account service fee that may be applicable to certain accounts with balances below \$10,000.

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.

Six Months Ended December 31, 2008

	Beginning Account Value 6/30/2008	Ending Account Value 12/31/2008	Expenses Paid During Period ¹
500 Index Fund			
Based on Actual Fund Return			
Investor Shares	\$1,000.00	\$715.38	\$0.74
Admiral Shares	1,000.00	715.66	0.39
Signal Shares	1,000.00	715.70	0.39
Based on Hypothetical 5% Yearly Return			
Investor Shares	\$1,000.00	\$1,024.35	\$0.87
Admiral Shares	1,000.00	1,024.75	0.46
Signal Shares	1,000.00	1,024.75	0.46

¹ The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratios for that period are 0.17% for Investor Shares, 0.09% for Admiral Shares, and 0.09% for Signal 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.

Note that the expenses shown in the table on the previous page 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 the account service fee described in the prospectus. If such a fee were applied to your account, your costs would be higher. Your fund does not charge transaction fees, such as purchase or redemption fees, nor does it 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.

Glossary

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

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

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

Expense Ratio. The percentage of a fund's average net assets used to pay its annual administrative and advisory expenses. These expenses directly reduce returns to investors.

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

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

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

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

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

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

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

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

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

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

The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 155 Vanguard funds.

The following table provides information for each trustee and executive officer of the fund. 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 www.vanguard.com.

Chairman of the Board and Interested Trustee

John J. Brennan¹

Born 1954. Trustee Since May 1987. Chairman of the Board. Principal Occupation(s) During the Past Five Years: Chairman of the Board and Director/Trustee of The Vanguard Group, Inc., and of each of the investment companies served by The Vanguard Group; Chief Executive Officer and President of The Vanguard Group and of each of the investment companies served by The Vanguard Group (1996–2008).

Independent Trustees

Charles D. Ellis

Born 1937. Trustee Since January 2001. Principal Occupation(s) During the Past Five Years: Applecore Partners (pro bono ventures in education); Senior Advisor to Greenwich Associates (international business strategy consulting); Successor Trustee of Yale University; Overseer of the Stern School of Business at New York University; Trustee of the Whitehead Institute for Biomedical Research.

Emerson U. Fullwood

Born 1948. Trustee Since January 2008. Principal Occupation(s) During the Past Five Years: Retired Executive Chief Staff and Marketing Officer for North America and Corporate Vice President of Xerox Corporation (photocopiers and printers); Director of SPX Corporation (multi-industry manufacturing), of the United Way of Rochester, and of the Boy Scouts of America.

Rajiv L. Gupta

Born 1945. Trustee Since December 2001.² Principal Occupation(s) During the Past Five Years: Chairman, President, and Chief Executive Officer of Rohm and Haas Co. (chemicals); Board Member of the American Chemistry Council; Director of Tyco International, Ltd. (diversified manufacturing and services), since 2005.

Amy Gutmann

Born 1949. Trustee Since June 2006. Principal Occupation(s) During the Past Five Years: President of the University of Pennsylvania since 2004; Professor in the School of Arts and Sciences, Annenberg School for Communication, and Graduate School of Education of the University of Pennsylvania since 2004; Provost (2001–2004) and Laurance S. Rockefeller Professor of Politics and the University Center for Human Values (1990–2004), Princeton University; Director of Carnegie Corporation of New York since 2005 and of Schuylkill River Development Corporation and Greater Philadelphia Chamber of Commerce since 2004; Trustee of the National Constitution Center since 2007.

JoAnn Heffernan Heisen

Born 1950. Trustee Since July 1998. Principal Occupation(s) During the Past Five Years: Retired Corporate Vice President, Chief Global Diversity Officer, and Member of the Executive Committee of Johnson & Johnson (pharmaceuticals/consumer products); Vice President and Chief Information Officer (1997–2005) of Johnson & Johnson; Director of the University Medical Center at Princeton and Women's Research and Education Institute.

André F. Perold

Born 1952. Trustee Since December 2004. Principal Occupation(s) During the Past Five Years: George Gund Professor of Finance and Banking, Senior Associate Dean, and Director of Faculty Recruiting, Harvard Business School; Director and Chairman of UNX, Inc. (equities trading firm); Chair of the Investment Committee of HighVista Strategies LLC (private investment firm) since 2005.

Alfred M. Rankin, Jr.

Born 1941. Trustee Since January 1993. Principal Occupation(s) During the Past Five Years: Chairman, President, Chief Executive Officer, and Director of NACCO Industries, Inc. (forklift trucks/housewares/lignite); Director of Goodrich Corporation (industrial products/aircraft systems and services).

J. Lawrence Wilson

Born 1936. Trustee Since April 1985. Principal Occupation(s) During the Past Five Years: Retired Chairman and Chief Executive Officer of Rohm and Haas Co. (chemicals); Director of Cummins Inc. (diesel engines) and AmerisourceBergen Corp. (pharmaceutical distribution); Trustee of Vanderbilt University and of Culver Educational Foundation.

Executive Officers**Thomas J. Higgins¹**

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

Kathryn J. Hyatt¹

Born 1955. Treasurer Since November 2008. Principal Occupation(s) During the Past Five Years: Principal of The Vanguard Group, Inc.; Treasurer of each of the investment companies served by The Vanguard Group since 2008; Assistant Treasurer of each of the investment companies served by The Vanguard Group (1988–2008).

F. William McNabb III¹

Born 1957. Chief Executive Officer Since August 2008. President Since March 2008. Principal Occupation(s) During the Past Five Years: Chief Executive Officer, Director, and President of The Vanguard Group, Inc., since 2008; Chief Executive Officer and President of each of the investment companies served by The Vanguard Group since 2008; Director of Vanguard Marketing Corporation; Managing Director of The Vanguard Group (1995–2008).

Heidi Stam¹

Born 1956. Secretary Since July 2005. Principal Occupation(s) During the Past Five Years: Managing Director of The Vanguard Group, Inc., since 2006; General Counsel of The Vanguard Group since 2005; Secretary of The Vanguard Group and of each of the investment companies served by The Vanguard Group since 2005; Director and Senior Vice President of Vanguard Marketing Corporation since 2005; Principal of The Vanguard Group (1997–2006).

Vanguard Senior Management Team

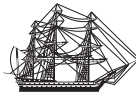
R. Gregory Barton	James M. Norris
Mortimer J. Buckley	Ralph K. Packard
Kathleen C. Gubanich	Glenn W. Reed
Paul A. Heller	George U. Sauter
Michael S. Miller	

Founder**John C. Bogle**

Chairman and Chief Executive Officer, 1974–1996

¹ These individuals are “interested persons” as defined in the Investment Company Act of 1940.

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



Vanguard®

P.O. Box 2600
Valley Forge, PA 19482-2600

Connect with Vanguard® > www.vanguard.com

Fund Information > 800-662-7447

Direct Investor Account Services > 800-662-2739

Institutional Investor Services > 800-523-1036

Text Telephone for People

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