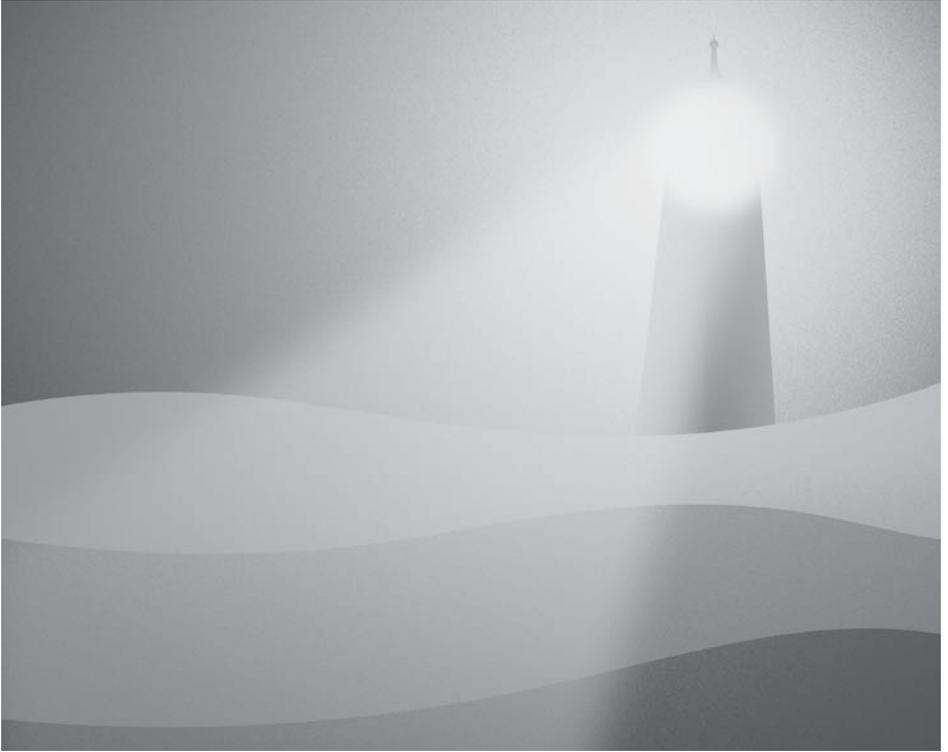


**Vanguard**<sup>®</sup>



**Semiannual Report** | April 30, 2018

# Vanguard Windsor<sup>™</sup> II Fund

# Vanguard’s Principles for Investing Success

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

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

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

**Cost.** Minimize cost.

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

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

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

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

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

## Your Fund's Performance at a Glance

- Vanguard Windsor II Fund returned about 3% for the six months ended April 30, 2018, ahead of its benchmark, the Russell 1000 Value Index, and in line with the average return of its large-capitalization value peer funds. For the period, value stocks trailed their growth counterparts. Large-, small-, and mid-cap stocks recorded generally similar returns.
- Each of the fund's five advisors uses a value-oriented strategy and manages its portfolio with a long-term focus. The fund had positive returns in seven of its 11 industry sectors.
- Energy stocks were by far the fund's top performers, advancing almost 19%, well ahead of their benchmark counterparts. This sector also contributed most to relative results. Another top performer, information technology, contributed solidly to returns but underperformed the benchmark.
- Industrial and financial stocks detracted the most from relative returns.

### Total Returns: Six Months Ended April 30, 2018

	Total Returns
Vanguard Windsor II Fund	
Investor Shares	2.64%
Admiral™ Shares	2.67
Russell 1000 Value Index	1.94
Large-Cap Value Funds Average	2.64

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

Admiral Shares carry lower expenses and are available to investors who meet certain account-balance requirements.

### Expense Ratios

Your Fund Compared With Its Peer Group

	Investor Shares	Admiral Shares	Peer Group Average
Windsor II Fund	0.34%	0.26%	1.04%

The fund expense ratios shown are from the prospectus dated February 26, 2018, and represent estimated costs for the current fiscal year. For the six months ended April 30, 2018, the fund's annualized expense ratios were 0.34% for Investor Shares and 0.26% for Admiral Shares. The peer-group expense ratio is derived from data provided by Lipper, a Thomson Reuters Company, and captures information through year-end 2017.

Peer group: Large-Cap Value Funds.

# CEO's Perspective



**Tim Buckley**  
President and Chief Executive Officer

Dear Shareholder,

I feel extremely fortunate to have the chance to lead a company filled with people who come to work every day passionate about Vanguard's core purpose: to take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

When I joined Vanguard in 1991, I found a mission-driven team focused on improving lives—helping people retire more comfortably, put their children through college, and achieve financial security. I also found a company with purpose in an industry ripe for improvement.

It was clear, even early in my career, that the cards were stacked against most investors. Hidden fees, performance-chasing, and poor advice were relentlessly eroding investors' dreams.

We knew Vanguard could be different and, as a result, could make a real difference. We have lowered the costs of investing for our shareholders significantly. And we're proud of the performance of our funds.

Vanguard is built for Vanguard investors—we focus solely on you, our fund shareholders. Everything we do is designed to give our clients the best chance for investment success. In my role as CEO, I'll keep this priority

front and center. We're proud of what we've achieved, but we're even more excited about what's to come.

### Steady, time-tested guidance

Our guidance for investors, as always, is to stay the course, tune out the hyperbolic headlines, and focus on your goals and what you can control, such as costs and how much you save. This time-tested advice has served our clients well over the decades.

Regardless of how the markets perform in the short term, I'm incredibly optimistic about the future for our investors. We have a dedicated team serving you, and we will never stop striving to make

Vanguard the best place for you to invest through our high-quality funds and services, advice and guidance to help you meet your financial goals, and an experience that makes you feel good about entrusting us with your hard-earned savings.

Thank you for your continued loyalty.

Sincerely,



Mortimer J. Buckley  
President and Chief Executive Officer  
May 16, 2018

### Market Barometer

	Total Returns Periods Ended April 30, 2018		
	Six Months	One Year	Five Years (Annualized)
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	3.83%	13.17%	12.84%
Russell 2000 Index (Small-caps)	3.27	11.54	11.74
Russell 3000 Index (Broad U.S. market)	3.79	13.05	12.75
FTSE All-World ex US Index (International)	3.72	15.84	5.85
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	-1.87%	-0.32%	1.47%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	-0.97	1.56	2.44
Citigroup Three-Month U.S. Treasury Bill Index	0.67	1.16	0.32
<b>CPI</b>			
Consumer Price Index	1.57%	2.46%	1.50%

# Advisors' Report

For the six months ended April 30, 2018, Vanguard Windsor II Fund returned 2.64% for Investor Shares and 2.67% for Admiral Shares. Your fund is managed by five independent advisors, a strategy that enhances the fund's diversification by providing exposure to distinct yet complementary investment approaches. It's not uncommon for different advisors to have different views about individual securities or the broader investment environment.

The accompanying table lists the advisors, the amount and percentage of fund assets each manages, and brief descriptions of their investment strategies. The advisors have provided the following assessment of the investment environment during the past six months and the notable successes and shortfalls in their portfolios. These comments were prepared on May 16, 2018.

## **Barrow, Hanley, Mewhinney & Strauss, LLC**

Portfolio Managers:

Jeff Fahrenbruch, CFA,  
Managing Director

David Ganucheau, CFA,  
Managing Director

Equity markets rose modestly over the past six months as investors wrestled with the effects of tax reform, geopolitical risk, improving economies around the world, and higher interest rates in the United States. The so-called bond proxy sectors (real estate, utilities, consumer staples), which had benefited from "lower for

longer" interest rates, meaningfully lagged the market. Leadership instead came from energy (which has sharply rebounded from laggard status) and information technology (which has led for many years). Given the sustained outperformance of the technology stocks, it is no surprise that growth benchmarks continue to outperform value.

Energy was our best performer; several of our stocks rallied and we modestly overweighted the sector. Within consumer discretionary, Twenty-First Century Fox helped results most, as it rose on a takeover bid. Holding very few names in the bond proxy sectors also helped, although our ownership of tobacco stocks did not, as these holdings have felt the weight of renewed regulatory concerns.

Stock selection within industrials held back returns, with Johnson Controls International and General Electric detracting notably. We consider both of these companies to be solid firms whose stock is deeply undervalued. Health care, which behaved defensively in a challenged market, helped performance. The sector remains the largest in our portfolio.

## **Lazard Asset Management LLC**

Portfolio Managers:

Andrew Lacey, Deputy Chairman

Christopher Blake, Managing Director

The Standard & Poor's 500 Index rose 3.8% for the six months ended April 30, 2018. Stocks set new records in the final

months of 2017 and into the new year as solid economic data and progress in government initiatives spurred investor optimism. Corporate earnings and other indicators of economic health were largely positive, with the majority of companies reporting higher-than-expected quarterly earnings.

The U.S. economy continued to add jobs at a strong rate, consumer confidence hit a 17-year high, and full-year 2017 GDP growth of 2.5% marked the economy's strongest pace in three years. An initial reading of first-quarter growth also exceeded expectations. However, volatility also picked up in the new year as some investors feared that a pickup in wage growth and inflation would lead to additional interest rate hikes in 2018 and concerns grew over a potential trade war between the United States and its trade partners.

Stock selection in information technology and health care helped performance. In information technology, top contributors included Cisco Systems and Motorola Solutions; in health care, Zoetis and Johnson & Johnson stood out.

Selection within consumer discretionary, along with our underweighting of the sector, took a toll. The largest detractors included Lowe's and McDonald's. Selection in the industrials sector also hurt returns; top detractors included United Parcel Service (UPS) and Kennametal. We sold our position in UPS in April.

## **Hotchkis and Wiley Capital Management, LLC**

Portfolio Managers:

George H. Davis, Jr.,  
Chief Executive Officer

Sheldon J. Lieberman, Principal

The S&P 500 Index returned 3.8% for the period. Continuing the pattern of recent years, large-capitalization growth stocks outperformed their large-cap value counterparts.

The market has been led by a handful of large companies, many of which exhibited elevated valuations even before recent increases. Amazon, for example, returned 42% for the period, which represents an increase in its market capitalization of more than \$225 billion. For perspective, this six-month increase in market cap exceeds the total market cap for many large U.S. blue chips—including AT&T, Pfizer, Procter & Gamble, and Boeing.

On one hand, these conditions have made it difficult to keep pace with the broad market. On the other, they have created a market environment with large valuation discrepancies—which is a favorable environment for bottom-up, fundamental value investors. The portfolio's valuation discount to the market exemplifies this advantage: The portfolio trades at 9.6 times normal earnings, compared with 14.5 times for the Russell 1000 Value Index and 17.3 times for the S&P 500 Index.

Against this backdrop, we have identified interesting opportunities in information technology, favoring well-managed companies with sticky customers and good balance sheets. More recently, we increased our energy weighting as both valuations and balance sheets in the sector have improved. Information technology and energy were the top performers for the period, and our overweight allocations to them helped returns. The biggest contributors were Hewlett Packard Enterprise, Marathon Oil, Hess, Ericsson, and Discovery Communications; the largest detractors were AIG, Johnson Controls International, Corning, Oracle, and General Motors.

### **Sanders Capital, LLC**

Portfolio Managers:

Lewis A. Sanders, CFA,  
Chief Executive Officer and  
Co-Chief Investment Officer

John P. Mahedy, CPA,  
Director of Research and  
Co-Chief Investment Officer

Our portfolio is positioned to benefit from sustained economic growth, rising interest rates, and technology-driven innovation. Banks, a major area of investment, have already been helped by moves to increase interest rates by the U.S. Federal Reserve. Home builders have benefited from strong demand for new single-family homes, prompting us to take some profits in this area.

Our most recent purchases were in the energy sector as we believe the deflationary impact of shale development on oil prices has come to an end. We maintain significant investments in the pharmaceutical, semiconductor, computer, and media industries, where new products and services promise to stimulate faster growth. Overall, the portfolio is well-diversified, with a lower-than-normal risk profile.

### **Vanguard Quantitative Equity Group**

Portfolio Managers:

James P. Stetler

Binbin Guo, Principal, Head of  
Alpha Equity Investments

Global equities continued to post positive returns as calendar year 2017 drew to a close, and the S&P 500 Index reached a record high about a month later. February brought a sudden change in market sentiment and the return of volatility after an unusually long period of calm. The broad U.S. equity market, as measured by the Russell 3000 Index, returned 3.79% for the six months ended April 30, 2018. U.S. stock market performance for the period was mixed; six of the 11 industry sectors advanced, led by consumer discretionary and energy. Growth stocks outperformed their value counterparts, and large-caps and small-caps had similar returns.

Although our overall performance is affected by the macroeconomic factors we've described, our approach to investing focuses on specific stock fundamentals that we believe are more likely to produce outperformance over the long run. Those fundamentals include high quality (healthy balance sheets and consistent cash-flow generation), management decisions, consistent earnings growth, strong market sentiment, and reasonable valuation.

Using these five fundamentals, we generate a composite daily stock ranking. We then monitor our portfolio based on those rankings and adjust when appropriate to maximize expected returns while minimizing exposure to risks that our research indicates don't improve returns (such as industry selection and other risks relative to the benchmark).

For the period, all five models helped performance, most notably quality, growth, and management decisions. Our strongest sector results were in financials, energy, and consumer discretionary. Our weakest results were in industrials.

At the stock level, the largest contributions came from overweighted allocations to HollyFrontier and Valero Energy (energy), Best Buy (consumer discretionary), and Seagate Technology (information technology), and underweighted exposure to General Electric (industrials). The biggest detractors were overweighted allocations to ManpowerGroup (industrials), Albemarle (materials), Forest City Realty Trust (real estate), and PG&E (utilities), and underweighted exposure to Cisco Systems (information technology).

## Vanguard Windsor II Fund Investment Advisors

Investment Advisor	Fund Assets Managed		Investment Strategy
	%	\$Million	
Barrow, Hanley, Mewhinney & Strauss, LLC	46	21,767	Conducts fundamental research on individual stocks exhibiting traditional value characteristics: price/earnings and price/book ratios below the broad market average and dividend yields above the broad market average.
Lazard Asset Management LLC	21	10,174	Employs a relative-value approach that seeks a combination of attractive valuation and high financial productivity. The process is research-driven, relying upon bottom-up stock analysis performed by the firm's global sector analysts.
Hotchkis and Wiley Capital Management, LLC	16	7,729	Uses a disciplined investment approach, focusing on such investment parameters as a company's tangible assets, sustainable cash flow, and potential for improving business performance.
Sanders Capital, LLC	16	7,687	Employs a traditional, bottom-up, fundamental research approach to identifying securities that are undervalued relative to their expected total return.
Vanguard Quantitative Equity Group	1	332	Employs a quantitative fundamental management approach, using models that assess valuation, market sentiment, earnings quality and growth, and management decisions of companies versus their peers.
Cash Investments	0	140	These short-term reserves are invested by Vanguard in equity index products to simulate investment in stocks. Each advisor may also maintain a modest cash position.

## Results of Proxy Voting

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

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

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

Trustee	For	Withheld	Percentage For
Mortimer J. Buckley	908,259,624	31,367,492	96.7%
Emerson U. Fullwood	905,886,189	33,740,926	96.4%
Amy Gutmann	905,801,076	33,826,039	96.4%
JoAnn Heffernan Heisen	907,652,013	31,975,103	96.6%
F. Joseph Loughrey	907,036,081	32,591,035	96.5%
Mark Loughridge	907,732,965	31,894,150	96.6%
Scott C. Malpass	905,318,513	34,308,603	96.3%
F. William McNabb III	906,555,088	33,072,027	96.5%
Deanna Mulligan	907,019,907	32,607,209	96.5%
André F. Perold	902,790,493	36,836,623	96.1%
Sarah Bloom Raskin	905,994,185	33,632,930	96.4%
Peter F. Volanakis	906,439,964	33,187,152	96.5%

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

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

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

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
Windsor II Fund	519,703,916	28,175,414	22,735,704	38,812,055	85.3%

Fund shareholders did not approve the following proposal:

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

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

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
Windsor II Fund	126,588,993	44,221,594	399,804,448	38,812,055	20.8%

# Windsor II Fund

## Fund Profile

As of April 30, 2018

### Share-Class Characteristics

	Investor Shares	Admiral Shares
Ticker Symbol	VWNFX	VWNAX
Expense Ratio <sup>1</sup>	0.34%	0.26%
30-Day SEC Yield	2.91%	2.99%

### Portfolio Characteristics

	Fund	Russell 1000 Value Index	DJ U.S. Total Market FA Index
Number of Stocks	284	710	3,752
Median Market Cap	\$93.9B	\$64.4B	\$66.1B
Price/Earnings Ratio	17.7x	16.5x	20.5x
Price/Book Ratio	2.2x	1.9x	2.9x
Return on Equity	14.9%	11.6%	15.0%
Earnings Growth Rate	5.3%	4.9%	8.4%
Dividend Yield	2.3%	2.4%	1.8%
Foreign Holdings	9.0%	0.0%	0.0%
Turnover Rate (Annualized)	26%	—	—
Short-Term Reserves	2.5%	—	—

### Volatility Measures

	Russell 1000 Value Index	DJ U.S. Total Market FA Index
R-Squared	0.96	0.93
Beta	1.01	1.00

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

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

Microsoft Corp.	Systems Software	3.6%
Medtronic plc	Health Care Equipment	2.8
Pfizer Inc.	Pharmaceuticals	2.7
Citigroup Inc.	Diversified Banks	2.6
Bank of America Corp.	Diversified Banks	2.5
JPMorgan Chase & Co.	Diversified Banks	2.5
Wells Fargo & Co.	Diversified Banks	2.1
Johnson & Johnson	Pharmaceuticals	2.1
Oracle Corp.	Systems Software	2.0
United Technologies Corp.	Aerospace & Defense	1.9
Top Ten		24.8%

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

### Investment Focus

Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

<sup>1</sup> The expense ratios shown are from the prospectus dated February 26, 2018, and represent estimated costs for the current fiscal year. For the six months ended April 30, 2018, the annualized expense ratios were 0.34% for Investor Shares and 0.26% for Admiral Shares.

## Sector Diversification (% of equity exposure)

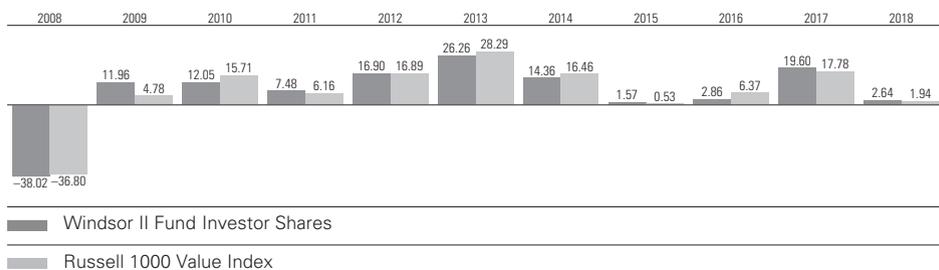
	Fund	Russell 1000 Value Index	DJ U.S. Total Market FA Index
Consumer Discretionary	11.6%	6.7%	13.1%
Consumer Staples	7.8	7.1	6.3
Energy	10.8	11.7	6.0
Financials	19.4	26.9	15.1
Health Care	16.2	14.3	13.6
Industrials	9.0	8.0	10.5
Information Technology	18.5	9.1	23.8
Materials	3.4	2.9	3.3
Real Estate	0.4	4.6	3.7
Telecommunication Services	2.0	2.7	1.7
Utilities	0.9	6.0	2.9

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

## 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.

### Fiscal-Year Total Returns (%): October 31, 2007, Through April 30, 2018



Note: For 2018, performance data reflect the six months ended April 30, 2018.

### Average Annual Total Returns: Periods Ended March 31, 2018

This table presents returns through the latest calendar quarter—rather than through the end of the fiscal period. Securities and Exchange Commission rules require that we provide this information.

	Inception Date	One Year	Five Years	Ten Years
Investor Shares	6/24/1985	8.15%	10.38%	8.06%
Admiral Shares	5/14/2001	8.25	10.47	8.15

See Financial Highlights for dividend and capital gains information.





Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Sumitomo Mitsui Financial Group Inc.	1,036,900	43,216	* Biogen Inc.	426,705	116,746
Industrial & Commercial Bank of China Ltd.	45,262,000	39,735	Humana Inc.	344,910	101,466
Bank of New York Mellon Corp.	719,300	39,209	Roche Holding AG	429,900	95,518
PNC Financial Services Group Inc.	25,074	3,651	Merck & Co. Inc.	1,578,437	92,923
Aflac Inc.	62,594	2,852	Danaher Corp.	864,200	86,696
Allstate Corp.	27,702	2,710	AbbVie Inc.	591,281	57,088
Regions Financial Corp.	127,570	2,386	Zimmer Biomet Holdings Inc.	325,300	37,465
* E*TRADE Financial Corp.	34,834	2,114	Eli Lilly & Co.	48,159	3,904
Santander Consumer USA Holdings Inc.	110,783	2,044	* Laboratory Corp. of America Holdings	12,703	2,169
T. Rowe Price Group Inc.	16,838	1,916	Agilent Technologies Inc.	31,405	2,065
Torchmark Corp.	21,994	1,908	Amgen Inc.	10,863	1,895
Comerica Inc.	19,889	1,881	Universal Health Services Inc. Class B	16,330	1,865
Ameriprise Financial Inc.	13,203	1,851	Quest Diagnostics Inc.	15,427	1,561
Unum Group	37,831	1,830	Perrigo Co. plc	17,369	1,357
Reinsurance Group of America Inc. Class A	11,487	1,716	Abbott Laboratories	17,591	1,023
Progressive Corp.	28,267	1,704	* IQVIA Holdings Inc.	9,700	929
Lincoln National Corp.	17,887	1,264			<b>7,480,021</b>
FNF Group	21,766	802	<b>Industrials (8.6%)</b>		
* Athene Holding Ltd. Class A	15,395	754	United Technologies Corp.	7,683,722	923,199
US Bancorp	13,335	673	Johnson Controls International plc	21,932,061	742,839
Zions Bancorporation	8,254	452	General Electric Co.	44,580,031	627,241
Assurant Inc.	3,841	356	General Dynamics Corp.	1,777,859	357,901
CME Group Inc.	1,877	296	Eaton Corp. plc	2,944,418	220,920
Chubb Ltd.	1,004	136	Raytheon Co.	1,015,787	208,175
		<b>8,993,120</b>	CNH Industrial NV	11,893,000	145,689
<b>Health Care (15.6%)</b>			Cummins Inc.	896,386	143,296
Medtronic plc	16,632,874	1,332,792	Norfolk Southern Corp.	921,966	132,275
Pfizer Inc.	34,716,051	1,270,955	Honeywell International Inc.	723,721	104,708
Johnson & Johnson	7,803,110	987,015	Wabtec Corp.	1,119,500	99,423
* Express Scripts Holding Co.	8,841,976	669,338	Kennametal Inc.	1,903,700	69,390
Sanofi ADR	14,733,065	579,304	Stanley Black & Decker Inc.	488,022	69,099
Cardinal Health Inc.	8,479,918	544,156	Deere & Co.	475,900	64,404
UnitedHealth Group Inc.	1,292,500	305,547	* Copart Inc.	1,066,850	54,495
Anthem Inc.	1,177,267	277,823	* Gates Industrial Corp. plc	3,249,200	50,883
Gilead Sciences Inc.	3,688,100	266,391	Rockwell Automation Inc.	290,150	47,738
Cigna Corp.	1,129,855	194,132	Embraer SA ADR	1,339,300	33,777
Zoetis Inc.	2,223,547	185,622	PACCAR Inc.	496,900	31,638
Koninklijke Philips NV	3,113,514	131,453	VW Grainger Inc.	7,490	2,107
GlaxoSmithKline plc ADR	3,261,600	130,823	Dover Corp.	21,459	1,989
			Allison Transmission Holdings Inc.	43,017	1,677
			Caterpillar Inc.	11,384	1,643

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
ManpowerGroup Inc.	14,075	1,347	* Dell Technologies Inc.		
American Airlines Group Inc.	30,912	1,327	Class V	23,163	1,662
Pentair plc	16,050	1,080	Seagate Technology plc	27,608	1,598
Waste Management Inc.	5,869	477	NVIDIA Corp.	7,050	1,586
KAR Auction Services Inc.	8,700	452	Avnet Inc.	32,099	1,259
Delta Air Lines Inc.	6,691	349	Teradyne Inc.	25,303	824
* JetBlue Airways Corp.	10,509	202	* Micron Technology Inc.	5,942	273
Expeditors International of Washington Inc.	2,685	172	NetApp Inc.	3,637	242
Kansas City Southern	1,363	145	* Arrow Electronics Inc.	2,377	178
		<b>4,140,057</b>			<b>8,513,203</b>
<b>Information Technology (17.8%)</b>			<b>Materials (3.3%)</b>		
Microsoft Corp.	18,294,046	1,710,859	Air Products & Chemicals Inc.	4,499,199	730,175
Oracle Corp.	20,428,753	932,981	DowDuPont Inc.	8,202,753	518,742
Apple Inc.	4,655,636	769,390	International Paper Co.	1,717,600	88,560
QUALCOMM Inc.	11,379,797	580,483	Steel Dynamics Inc.	1,850,750	82,932
Intel Corp.	10,247,040	528,952	Vulcan Materials Co.	442,200	49,389
* Alphabet Inc. Class A	458,898	467,424	Nutrien Ltd.	1,058,692	48,202
Cisco Systems Inc.	9,931,678	439,874	Sensient Technologies Corp.	715,750	47,705
* Alphabet Inc. Class C	396,656	403,530	LyondellBasell Industries NV Class A	23,570	2,492
Samsung Electronics Co. Ltd.	7,670,000	380,219	Huntsman Corp.	61,729	1,838
Hewlett Packard Enterprise Co.	19,226,100	327,805	Westlake Chemical Corp.	16,950	1,813
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	7,567,119	290,956	* Alcoa Corp.	34,440	1,763
* eBay Inc.	6,095,784	230,908	Freeport-McMoRan Inc.	99,762	1,518
Motorola Solutions Inc.	1,931,705	212,159			<b>1,575,129</b>
^ Telefonaktiebolaget LM Ericsson ADR	26,302,900	198,587	<b>Other (0.7%)</b>		
Visa Inc. Class A	1,456,600	184,813	SPDR S&P 500 ETF Trust	1,031,243	272,774
Corning Inc.	5,910,900	159,713	3 Vanguard Value ETF	444,068	46,010
DXC Technology Co.	1,444,450	148,865			<b>318,784</b>
Skyworks Solutions Inc.	1,467,750	127,342	<b>Real Estate (0.4%)</b>		
Analog Devices Inc.	1,334,788	116,594	Prologis Inc.	2,620,300	170,084
* Worldpay Inc. Class A	941,100	76,436	Weyerhaeuser Co.	71,392	2,626
* Palo Alto Networks Inc.	378,300	72,827	Host Hotels & Resorts Inc.	107,130	2,095
* CoreLogic Inc.	1,166,900	57,762	Jones Lang LaSalle Inc.	11,202	1,899
* Teradata Corp.	943,500	38,608	Gaming and Leisure Properties Inc.	53,909	1,847
TE Connectivity Ltd.	385,300	35,351	Spirit Realty Capital Inc.	213,943	1,722
International Business Machines Corp.	30,477	4,418	Park Hotels & Resorts Inc.	34,427	991
HP Inc.	129,411	2,781	WP Carey Inc.	12,106	773
Western Digital Corp.	28,366	2,235	Extra Space Storage Inc.	3,318	297
Western Union Co.	100,508	1,985	Lamar Advertising Co. Class A	2,898	185
Marvell Technology Group Ltd.	85,927	1,724			<b>182,519</b>

Windsor II Fund

	Shares	Market Value* (\$000)	Amount (\$000)
<b>Telecommunication Services (1.9%)</b>			
Verizon Communications Inc.	10,528,449	519,579	
AT&T Inc.	5,983,869	195,673	
Vodafone Group plc ADR	6,248,436	183,766	
		<b>899,018</b>	
<b>Utilities (0.9%)</b>			
Exelon Corp.	6,242,526	247,703	
Southern Co.	1,786,800	82,407	
PPL Corp.	2,606,500	75,849	
NextEra Energy Inc.	24,374	3,995	
FirstEnergy Corp.	70,945	2,441	
Entergy Corp.	27,562	2,249	
NRG Energy Inc.	64,037	1,985	
MDU Resources Group Inc.	68,704	1,935	
CenterPoint Energy Inc.	73,885	1,872	
American Electric Power Co. Inc.	20,060	1,404	
National Fuel Gas Co.	26,382	1,355	
		<b>423,195</b>	
<b>Total Common Stocks (Cost \$34,416,101)</b>		<b>46,489,785</b>	
<b>Temporary Cash Investments (2.9%)<sup>1</sup></b>			
<b>Money Market Fund (2.8%)</b>			
<sup>4,5</sup> Vanguard Market Liquidity Fund, 1.886%	13,551,479	1,355,148	
		Face Amount (\$000)	
<b>U.S. Government and Agency Obligations (0.1%)</b>			
United States Treasury Bill, 1.398%, 5/3/18	20,000	19,998	
<sup>6</sup> United States Treasury Bill, 1.446%, 5/31/18	2,086	2,083	
<sup>6</sup> United States Treasury Bill, 1.941%, 9/27/18	7,200	7,143	
<sup>6</sup> United States Treasury Bill, 1.934%, 10/11/18	100	99	
		<b>29,323</b>	
<b>Total Temporary Cash Investments (Cost \$1,384,371)</b>		<b>1,384,471</b>	
<b>Total Investments (100.1%) (Cost \$35,800,472)</b>		<b>47,874,256</b>	

<b>Other Assets and Liabilities (-0.1%)</b>	
<b>Other Assets</b>	
Investment in Vanguard	2,587
Receivables for Investment Securities Sold	392,786
Receivables for Accrued Income	53,021
Receivables for Capital Shares Issued	5,969
Variation Margin Receivable—	
Futures Contracts	53
Other Assets	8,050
<b>Total Other Assets</b>	<b>462,466</b>
<b>Liabilities</b>	
Payables for Investment Securities	
Purchased	(295,781)
Collateral for Securities on Loan	(100,271)
Payables to Investment Advisor	(13,830)
Payables for Capital Shares Redeemed	(28,010)
Payables to Vanguard	(68,892)
Variation Margin Payable—	
Futures Contracts	(1,284)
Other Liabilities	(7)
<b>Total Liabilities</b>	<b>(508,075)</b>
<b>Net Assets (100%)</b>	<b>47,828,647</b>

At April 30, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	34,103,989
Undistributed Net Investment Income	235,109
Accumulated Net Realized Gains	1,417,243
Unrealized Appreciation (Depreciation)	
Investment Securities	12,073,784
Futures Contracts	(1,429)
Foreign Currencies	(49)
<b>Net Assets</b>	<b>47,828,647</b>
<b>Investor Shares—Net Assets</b>	
Applicable to 350,492,665 outstanding \$ .001 par value shares of beneficial interest (unlimited authorization)	12,995,240
<b>Net Asset Value Per Share— Investor Shares</b>	<b>\$37.08</b>

## Windsor II Fund

Amount  
(\$000)

<b>Admiral Shares—Net Assets</b>	
Applicable to 529,387,128 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	<b>34,833,407</b>
<b>Net Asset Value Per Share— Admiral Shares</b>	<b>\$65.80</b>

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers.  
The total value of securities on loan is \$74,087,000.

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 97.4% and 2.7%, respectively, of net assets.

2 Considered an affiliated company of the fund as the fund owns more than 5% of the outstanding voting securities of such company.

3 Considered an affiliated company of the fund as the issuer is another member of The Vanguard Group.

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

5 Includes \$100,271,000 of collateral received for securities on loan.

6 Securities with a value of \$9,139,000 have been segregated as initial margin for open futures contracts.

ADR—American Depositary Receipt.

## 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	June 2018	798	105,615	(1,429)

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

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

## Statement of Operations

	Six Months Ended April 30, 2018
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends—Unaffiliated Issuers <sup>1</sup>	545,676
Dividends—Affiliated Issuers	3,035
Interest—Unaffiliated Issuers	167
Interest—Affiliated Issuers	9,156
Securities Lending—Net	381
Total Income	558,415
<b>Expenses</b>	
Investment Advisory Fees—Note B	
Basic Fee	34,475
Performance Adjustment	(5,623)
The Vanguard Group—Note C	
Management and Administrative—Investor Shares	13,328
Management and Administrative—Admiral Shares	22,808
Marketing and Distribution—Investor Shares	891
Marketing and Distribution—Admiral Shares	780
Custodian Fees	1,540
Shareholders' Reports and Proxy—Investor Shares	91
Shareholders' Reports and Proxy—Admiral Shares	157
Trustees' Fees and Expenses	38
Total Expenses	68,485
Expenses Paid Indirectly	(538)
Net Expenses	67,947
<b>Net Investment Income</b>	<b>490,468</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold—Unaffiliated Issuers	1,502,877
Investment Securities Sold—Affiliated Issuers	10,483
Futures Contracts	(1,401)
Foreign Currencies	26
<b>Realized Net Gain (Loss)</b>	<b>1,511,985</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities—Unaffiliated Issuers	(552,782)
Investment Securities—Affiliated Issuers	(88,300)
Futures Contracts	(2,172)
Foreign Currencies	(29)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(643,283)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,359,170</b>

<sup>1</sup> Dividends are net of foreign withholding taxes of \$3,894,000.

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

## Statement of Changes in Net Assets

	Six Months Ended April 30, 2018	Year Ended October 31, 2017
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	490,468	995,340
Realized Net Gain (Loss)	1,511,985	3,197,107
Change in Unrealized Appreciation (Depreciation)	(643,283)	4,305,009
Net Increase (Decrease) in Net Assets Resulting from Operations	1,359,170	8,497,456
<b>Distributions</b>		
Net Investment Income		
Investor Shares	(134,971)	(328,011)
Admiral Shares	(371,188)	(780,981)
Realized Capital Gain <sup>1</sup>		
Investor Shares	(828,642)	(754,617)
Admiral Shares	(2,184,797)	(1,716,810)
Total Distributions	(3,519,598)	(3,580,419)
<b>Capital Share Transactions</b>		
Investor Shares	(56,184)	(1,593,453)
Admiral Shares	893,350	1,063,814
Net Increase (Decrease) from Capital Share Transactions	837,166	(529,639)
Total Increase (Decrease)	(1,323,262)	4,387,398
<b>Net Assets</b>		
Beginning of Period	49,151,909	44,764,511
End of Period <sup>2</sup>	47,828,647	49,151,909

<sup>1</sup> Includes fiscal 2018 and 2017 short-term gain distributions totaling \$190,916,000 and \$129,480,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

<sup>2</sup> Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$235,109,000 and \$250,774,000.

# Financial Highlights

## Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2018	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$38.81</b>	<b>\$35.03</b>	<b>\$36.73</b>	<b>\$39.59</b>	<b>\$36.19</b>	<b>\$29.33</b>
<b>Investment Operations</b>						
Net Investment Income	.368 <sup>1</sup>	.750 <sup>1</sup>	.847 <sup>1</sup>	.809	.868	.740
Net Realized and Unrealized Gain (Loss) on Investments	.708	5.847	.096	(.229)	4.167	6.842
Total from Investment Operations	1.076	6.597	.943	.580	5.035	7.582
<b>Distributions</b>						
Dividends from Net Investment Income	(.393)	(.851)	(.781)	(.827)	(.838)	(.722)
Distributions from Realized Capital Gains	(2.413)	(1.966)	(1.862)	(2.613)	(.797)	—
Total Distributions	(2.806)	(2.817)	(2.643)	(3.440)	(1.635)	(.722)
<b>Net Asset Value, End of Period</b>	<b>\$37.08</b>	<b>\$38.81</b>	<b>\$35.03</b>	<b>\$36.73</b>	<b>\$39.59</b>	<b>\$36.19</b>
<b>Total Return<sup>2</sup></b>	<b>2.64%</b>	<b>19.60%</b>	<b>2.86%</b>	<b>1.57%</b>	<b>14.36%</b>	<b>26.26%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$12,995	\$13,638	\$13,773	\$15,397	\$17,312	\$18,034
Ratio of Total Expenses to Average Net Assets <sup>3</sup>	0.34%	0.34%	0.33%	0.34%	0.36%	0.36%
Ratio of Net Investment Income to Average Net Assets	1.93%	2.01%	2.46%	2.12%	2.28%	2.25%
Portfolio Turnover Rate	26%	32%	33%	26%	27%	27%

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

1 Calculated based on average shares outstanding.

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

3 Includes performance-based investment advisory fee increases (decreases) of (0.02%), (0.02%), (0.03%), (0.02%), 0.00%, and (0.01%).

# Financial Highlights

## Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2018	2017	2016	2015	2014	2013
<b>Net Asset Value, Beginning of Period</b>	<b>\$68.88</b>	<b>\$62.18</b>	<b>\$65.20</b>	<b>\$70.27</b>	<b>\$64.23</b>	<b>\$52.06</b>
<b>Investment Operations</b>						
Net Investment Income	.679 <sup>1</sup>	1.377 <sup>1</sup>	1.552 <sup>1</sup>	1.492	1.601	1.366
Net Realized and Unrealized Gain (Loss) on Investments	1.253	10.376	.168	(.401)	7.398	12.134
Total from Investment Operations	1.932	11.753	1.720	1.091	8.999	13.500
<b>Distributions</b>						
Dividends from Net Investment Income	(.728)	(1.565)	(1.437)	(1.525)	(1.545)	(1.330)
Distributions from Realized Capital Gains	(4.284)	(3.488)	(3.303)	(4.636)	(1.414)	—
Total Distributions	(5.012)	(5.053)	(4.740)	(6.161)	(2.959)	(1.330)
<b>Net Asset Value, End of Period</b>	<b>\$65.80</b>	<b>\$68.88</b>	<b>\$62.18</b>	<b>\$65.20</b>	<b>\$70.27</b>	<b>\$64.23</b>
<b>Total Return<sup>2</sup></b>	<b>2.67%</b>	<b>19.68%</b>	<b>2.94%</b>	<b>1.66%</b>	<b>14.46%</b>	<b>26.36%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$34,833	\$35,514	\$30,991	\$31,763	\$32,898	\$27,593
Ratio of Total Expenses to Average Net Assets <sup>3</sup>	0.26%	0.26%	0.25%	0.26%	0.28%	0.28%
Ratio of Net Investment Income to Average Net Assets	2.01%	2.09%	2.54%	2.20%	2.36%	2.33%
Portfolio Turnover Rate	26%	32%	33%	26%	27%	27%

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

1 Calculated based on average shares outstanding.

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

3 Includes performance-based investment advisory fee increases (decreases) of (0.02%), (0.02%), (0.03%), (0.02%), 0.00%, and (0.01%).

## Notes to Financial Statements

Vanguard Windsor II 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: Investor Shares and Admiral 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, and account-size criteria.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the fund's pricing time. When fair-value pricing is employed, the prices of securities used by a fund to calculate its net asset value may differ from quoted or published prices for the same securities. 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. **Foreign Currency:** Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the fund's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The fund may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract.

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

During the six months ended April 30, 2018, 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.

4. Federal Income Taxes: The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the fund's tax positions taken for all open federal income tax years (October 31, 2014–2017), and for the period ended April 30, 2018, and has concluded that no provision for federal income tax is required in the fund's financial statements.

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

6. 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 Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.

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

The fund had no borrowings outstanding at April 30, 2018, or at any time during the period then ended.

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

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

**B.** The investment advisory firms Barrow, Hanley, Mewhinney & Strauss, LLC, Lazard Asset Management LLC, Hotchkis and Wiley Capital Management, LLC, and Sanders Capital, LLC, each provide investment advisory services to a portion of the fund for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fee of Barrow, Hanley, Mewhinney & Strauss, LLC, is subject to quarterly adjustments based on performance relative to the MSCI US Prime Market 750 Index for the preceding three years. The basic fee of Lazard Asset Management LLC, is subject to quarterly adjustments based on performance relative to the S&P 500 Index for the preceding three years. The basic fee of Hotchkis and Wiley Capital Management, LLC, is subject to quarterly adjustments based on performance relative to the MSCI US Investable Market 2500 Index for the preceding five years. The basic fee of Sanders Capital, LLC, is subject to quarterly adjustments based on performance relative to the Russell 3000 Index for the preceding five years.

Vanguard provides investment advisory services to a portion of the fund as described below; the fund paid Vanguard advisory fees of \$254,000 for the six months ended April 30, 2018.

For the six months ended April 30, 2018, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.14% of the fund's average net assets, before a net decrease of \$5,623,000 (0.02%) based on performance.

**C.** In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund's liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets. All other costs of operations payable to Vanguard 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 April 30, 2018, the fund had contributed to Vanguard capital in the amount of \$2,587,000, representing 0.01% of the fund's net assets and 1.03% of Vanguard's capitalization. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

D. The fund has asked its investment advisors to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the fund part of the commissions generated. Such rebates are used solely to reduce the fund's management and administrative expenses. The fund's custodian bank has also agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the six months ended April 30, 2018, these arrangements reduced the fund's management and administrative expenses by \$535,000 and custodian fees by \$3,000. The total expense reduction represented an effective annual rate of 0.00% of the fund's average net assets.

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

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

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

**Level 3**—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Statement of Net Assets.

The following table summarizes the market value of the fund's investments as of April 30, 2018, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	45,468,501	1,021,284	—
Temporary Cash Investments	1,355,148	29,323	—
Futures Contracts—Assets <sup>1</sup>	53	—	—
Futures Contracts—Liabilities <sup>1</sup>	(1,284)	—	—
Total	46,822,418	1,050,607	—

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

F. 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. The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year.

At April 30, 2018, the cost of investment securities for tax purposes was \$35,800,472,000. Net unrealized appreciation of investment securities for tax purposes was \$12,073,784,000, consisting of unrealized gains of \$14,059,605,000 on securities that had risen in value since their purchase and \$1,985,821,000 in unrealized losses on securities that had fallen in value since their purchase.

G. During the six months ended April 30, 2018, the fund purchased \$6,300,774,000 of investment securities and sold \$8,688,102,000 of investment securities, other than temporary cash investments.

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

	Six Months Ended April 30, 2018		Year Ended October 31, 2017	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Investor Shares</b>				
Issued	567,532	14,972	649,950	17,561
Issued in Lieu of Cash Distributions	938,145	24,819	1,057,833	29,591
Redeemed	(1,561,861)	(40,696)	(3,301,236)	(88,909)
Net Increase (Decrease)—Investor Shares	(56,184)	(905)	(1,593,453)	(41,757)
<b>Admiral Shares</b>				
Issued	1,190,513	17,540	3,043,402	46,187
Issued in Lieu of Cash Distributions	2,419,467	36,074	2,363,797	37,258
Redeemed	(2,716,630)	(39,826)	(4,343,385)	(66,275)
Net Increase (Decrease)—Admiral Shares	893,350	13,788	1,063,814	17,170

I. Certain of the fund's investments are in companies that are considered to be affiliated companies of the fund because the fund owns more than 5% of the outstanding voting securities of the company or the issuer is another member of The Vanguard Group. Transactions during the period in securities of these companies were as follows:

	Oct. 31, 2017 Market Value (\$000)	Current Period Transactions						April 30, 2018 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Adient plc	NA <sup>1</sup>	209,622	23,221	7	(79,459)	2,359	—	354,891
Vanguard Market Liquidity Fund	1,240,439	NA <sup>2</sup>	NA <sup>2</sup>	(155)	112	9,156	—	1,355,148
Vanguard Value ETF	64,101	—	19,769	10,631	(8,953)	676	—	46,010
Total	1,304,540	209,622	42,990	10,483	(88,300)	12,191	—	1,756,049

1 Not applicable—at October 31, 2017, the issuer was not an affiliated company of the fund.

2 Not applicable—purchases and sales are for temporary cash investment purposes.

J. Management has determined that no material events or transactions occurred subsequent to April 30, 2018, that would require recognition or disclosure in these financial statements.

## About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended April 30, 2018

Windsor II Fund	Beginning Account Value 10/31/2017	Ending Account Value 4/30/2018	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Investor Shares	\$1,000.00	\$1,026.36	\$1.71
Admiral Shares	1,000.00	1,026.67	1.31
<b>Based on Hypothetical 5% Yearly Return</b>			
Investor Shares	\$1,000.00	\$1,023.11	\$1.71
Admiral Shares	1,000.00	1,023.51	1.30

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 0.34% for Investor Shares and 0.26% for Admiral Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

## Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Windsor II Fund has renewed the fund's investment advisory arrangements with Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow Hanley); Hotchkis and Wiley Capital Management, LLC (Hotchkis and Wiley); Lazard Asset Management LLC (Lazard); Sanders Capital, LLC (Sanders Capital); and The Vanguard Group, Inc. (Vanguard), through its Quantitative Equity Group. The board determined that renewing the fund's advisory arrangements was in the best interests of the fund and its shareholders.

The board based its decision upon an evaluation of each 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 advisors and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

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

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

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

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

The board reviewed the quality of the fund's investment management services over both the short and long term and took into account the organizational depth and stability of each advisor. The board considered the following:

**Barrow Hanley.** Founded in 1979, Barrow Hanley is known for its commitment to value investing. A subsidiary of Old Mutual Asset Managers, Barrow Hanley remains independently managed. Using fundamental research, Barrow Hanley seeks to make long-term investments in quality or improving businesses that are undervalued due to short-term disappointments. The advisor seeks to construct a portfolio with strict adherence to valuation factors, below-average price/earnings and price/book value ratios, and above-average current yields. Barrow Hanley has advised the fund since the fund's inception in 1985.

**Hotchkis and Wiley.** Founded in 1980, Hotchkis and Wiley is a value-oriented firm that manages various large-, mid-, and small-cap portfolios. Hotchkis and Wiley invests in companies where it believes that the present value of future cash flows exceeds the market price. The advisor believes that the market frequently undervalues companies due to the extrapolation of current trends, while capital flows usually cause a company's returns and profitability to normalize over the long term. Hotchkis and Wiley seeks to identify these companies with a disciplined, bottom-up research process. The portfolio managers leverage the support of a broad analyst team, which is organized into sector teams in an effort to better understand the impact that industry dynamics and macro-economic risk factors might have on individual companies. Hotchkis and Wiley has managed a portion of the fund since 2003.

**Lazard.** Lazard, a subsidiary of Lazard Freres & Co LLC, provides investment management services for clients around the world in a variety of investment mandates, including international equities, domestic equities, and fixed income securities. The investment team at Lazard employs a relative value, bottom-up stock-selection process to identify stocks with sustainable financial productivity and attractive valuations. Utilizing scenario analysis, the team seeks to understand the durability and future direction of financial productivity and valuation. Lazard has managed a portion of the fund since 2007.

**Sanders Capital.** Founded in 2009, Sanders Capital employs a traditional, bottom-up, fundamental research approach to identify securities that are undervalued relative to their expected total return. The portfolio managers are supported by a well-credentialed and experienced sector analyst team, in addition to a quantitative research analyst. Sanders Capital has managed a portion of the fund since 2010.

**Vanguard.** Vanguard has been managing investments for more than three decades. The Quantitative Equity Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth. Vanguard has managed a portion of the fund since 1991.

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

#### **Investment performance**

The board considered the short- and long-term performance of the fund and each advisor, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangements should continue. Information about the fund's most recent performance can be found in the Performance Summary section of this report.

#### **Cost**

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

The board did not consider the profitability of Barrow Hanley, Hotchkis and Wiley, Lazard, or Sanders Capital in determining whether to approve the advisory fees, because the firms are independent of Vanguard and the advisory fees are the result of arm's-length negotiations. The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique "at-cost" structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees and produces "profits" only in the form of reduced expenses for fund shareholders.

#### **The benefit of economies of scale**

The board concluded that the fund's shareholders benefit from economies of scale because of breakpoints in the advisory fee schedules for Barrow Hanley, Hotchkis and Wiley, Lazard, and Sanders Capital. The breakpoints reduce the effective rate of the fees as the fund's assets managed by each advisor increase.

The board also concluded that the fund's at-cost arrangement with Vanguard ensures that the fund will realize economies of scale as it grows, with the cost to shareholders declining as the fund's assets managed by Vanguard increase.

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

# Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 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 208 Vanguard funds.

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

## Interested Trustees<sup>1</sup>

### F. William McNabb III

Born in 1957. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: chairman of the board (January 2010–present) of Vanguard and of each of the investment companies served by Vanguard, trustee (2009–present) of each of the investment companies served by Vanguard, and director (2008–present) of Vanguard. Chief executive officer and president (2008–2017) of Vanguard and each of the investment companies served by Vanguard, managing director (1995–2008) of Vanguard, and director (1997–2018) of Vanguard Marketing Corporation. Director (2018–present) of UnitedHealth Group.

### Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer (January 2018–present) of Vanguard; chief executive officer, president, and trustee (January 2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (February 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) of the Children's Hospital of Philadelphia.

## 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 Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minnett Professor at the Rochester Institute of Technology. Lead 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. Trustee of the National Constitution Center.

<sup>1</sup> Mr. McNabb and Mr. Buckley are considered "interested persons," as defined in the Investment Company Act of 1940, because they are officers of the Vanguard funds.

**JoAnn Heffernan Heisen**

Born in 1950. Trustee since July 1998. Principal occupation(s) during the past five years and other experience: corporate vice president of Johnson & Johnson (pharmaceuticals/medical devices/consumer products) and member of its executive committee (1997–2008). Chief global diversity officer (retired 2008), vice president and chief information officer (1997–2006), controller (1995–1997), treasurer (1991–1995), and assistant treasurer (1989–1991) of Johnson & Johnson. Director of Skytop Lodge Corporation (hotels) and the Robert Wood Johnson Foundation. Member of the advisory board of the Institute for Women’s Leadership at Rutgers University.

**F. Joseph Loughrey**

Born 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), Oxfam America, and the Lumina Foundation for Education. Director of the V Foundation for Cancer Research. Member of the advisory council for the College of Arts and Letters and chair of the advisory board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

**Mark Loughridge**

Born 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 (1989–present) and vice president (1996–present) 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. Chairman of the board of TIFF Advisory Services, Inc. Member of the board of Catholic Investment Services, Inc. (investment advisors), the board of advisors for Spruceview Capital Partners, 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: president (2010–present) and chief executive officer (2011–present) of The Guardian Life Insurance Company of America. 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, the Partnership for New York City (business leadership), and the Committee Encouraging Corporate Philanthropy. Trustee of the Economic Club of New York 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 LLC (private investment firm). Overseer of the Museum of Fine Arts Boston.

**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 of i(x) Investments, LLC.

**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

### 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 and global head of Fund Administration at Vanguard. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG LLP (audit, tax, and advisory services).

### Brian Dvorak

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2017–present) of Vanguard and each of the investment companies served by Vanguard. Assistant vice president (2017–present) of Vanguard Marketing Corporation. Vice president and director of Enterprise Risk Management (2011–2013) at Oppenheimer Funds, Inc.

### Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2008–present) 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. Director and senior vice president (2016–2018) of Vanguard Marketing Corporation. 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.

## Vanguard Senior Management Team

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

## Chairman Emeritus and Senior Advisor

### John J. Brennan

Chairman, 1996–2009  
Chief Executive Officer and President, 1996–2008

## Founder

### John C. Bogle

Chairman and Chief Executive Officer, 1974–1996



**Vanguard®**

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This material may be used in conjunction with the offering of shares of any Vanguard fund only if preceded or accompanied by the fund's current prospectus.

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

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

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

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