



Vanguard®



Annual Report | October 31, 2017

Vanguard Windsor™ 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 20% for the year ended October 31, 2017, ahead of its benchmark, the Russell 1000 Value Index, but slightly behind the average return of its large-capitalization value fund peers. For the year, growth stocks surpassed their value counterparts, while small-cap stocks outpaced mid- and large-caps.
- Each of the fund's five advisors uses a value-oriented strategy and manages its portfolio with a long-term focus.
- All but one of the fund's 11 industry sectors had positive returns. Financials and information technology contributed most. Selection hindered relative performance in consumer staples (the only sector with a negative return) and health care.
- For the ten years ended October 31, 2017, Windsor II Fund's average annual return was a bit behind that of its expense-free benchmark and exceeded that of its peers.

Total Returns: Fiscal Year Ended October 31, 2017

	Total Returns
Vanguard Windsor II Fund	
Investor Shares	19.60%
Admiral™ Shares	19.68
Russell 1000 Value Index	17.78
Large-Cap Value Funds Average	20.30

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.

Total Returns: Ten Years Ended October 31, 2017

	Average Annual Return
Windsor II Fund Investor Shares	5.83%
Russell 1000 Value Index	5.99
Large-Cap Value Funds Average	5.23

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

The figures shown represent past performance, which is not a guarantee of future results. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost.

Expense Ratios

Your Fund Compared With Its Peer Group

	Investor Shares	Admiral Shares	Peer Group Average
Windsor II Fund	0.33%	0.25%	1.09%

The fund expense ratios shown are from the prospectus dated February 23, 2017, and represent estimated costs for the current fiscal year. For the fiscal year ended October 31, 2017, the fund's 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 2016.

Peer group: Large-Cap Value Funds.

Chairman's Perspective



Bill McNabb
Chairman and Chief Executive Officer

Dear Shareholder,

When I find outstanding products or services, I'm likely to be loyal to them. And my loyalty usually gets rewarded as I experience consistently high quality—whether it's from a favorite restaurant or a favorite author. What's past, in most cases, is prologue.

As tempting as it is to apply this rationale to investing—for example, if technology stocks have done well this year, they're bound to do well the next—it's not all that helpful and can actually be counter-productive. You've heard it many times: Past performance cannot be used to predict future returns.

Taking a new approach

The caution about past performance is so familiar that investors are apt to treat it as mere background noise. That's why past-performance bias merited a fresh look from Vanguard's Investment Strategy Group, which tackled the issue last year in a research paper. (I encourage you to read the full paper, *Reframing Investor Choices: Right Mindset, Wrong Market*, at vanguard.com/research.)

Our strategists were hardly the first to delve into the topic, but they approached it in a new way. They started with the premise that it's perfectly understandable for investors to lean heavily on past performance, because that works well in many areas of life. After all, as the paper describes, in lots of other industries and realms, performance from one time period

to another is extremely consistent. The researchers looked at everything from cars to fine restaurants to heart surgeons, and in all these examples, past performance was a good predictor of later outcomes.

It's different with investing

In a nutshell, our brains typically are rewarded and our satisfaction is boosted when we use past performance as a guide for navigating decisions, big and small. But when applied to investing, this method breaks down.

Why? Among other reasons, top-performing asset classes one year tend not to repeat as leaders the next. Strong past performance leads to higher

valuations, making an investment, all else being equal, less attractive in the future. The data are quite overwhelming in this regard.

By allowing past performance to inform their decisions, individual and institutional investors inadvertently end up as momentum investors, putting them on a treadmill of buying high and selling low.

A path to better decision-making

Of course, many investors are already aware of the pitfalls of projecting past performance into the future. The real question is, what can we all do about it? What does it take to go from having a general awareness to actually changing our behavior?

Market Barometer

	Average Annual Total Returns Periods Ended October 31, 2017		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	23.67%	10.58%	15.18%
Russell 2000 Index (Small-caps)	27.85	10.12	14.49
Russell 3000 Index (Broad U.S. market)	23.98	10.53	15.12
FTSE All-World ex US Index (International)	23.48	6.12	7.67
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	0.90%	2.40%	2.04%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	2.19	3.04	3.00
Citigroup Three-Month U.S. Treasury Bill Index	0.71	0.31	0.20
CPI			
Consumer Price Index	2.04%	1.28%	1.29%

Acknowledging that such change isn't easy, our strategists offered a few ideas for reframing how investors approach their decisions. These recommendations were targeted at advisors working with clients, but they apply equally to individuals and institutions:

- **Educate yourself.** The more investors understand why a method that works so well in other areas of life—relying on past performance to drive decisions—doesn't carry over to investing, the better off they'll be.
- **Be disciplined.** The bias toward past performance is ingrained in everybody, professionals included, and shifting away from it can be difficult. But the long-term benefits make the effort worthwhile.

- **Focus on what you can control.** It's always most constructive for investors to concentrate on what's actually within their control, such as setting goals, following long-term portfolio construction principles, selecting low-cost investments, and rebalancing periodically.

Here's to keeping the past in the rearview mirror. And, as always, thank you for investing with 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, sweeping initial "F" and a stylized "III" at the end.

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

Advisors' Report

For the 12 months ended October 31, 2017, Vanguard Windsor II Fund returned 19.60% for Investor Shares and 19.68% 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 table on page 10 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 12 months and the notable successes and shortfalls in their portfolios. These comments were prepared on November 16, 2017.

Barrow, Hanley, Mewhinney & Strauss, LLC

Portfolio Managers:

Jeff Fahrenbruch, CFA,
Managing Director

David Ganucheau, CFA,
Managing Director

The recovery in global economic growth helped stocks over the last year despite significant geopolitical risks and Washington policy failures. Value stocks lagged growth stocks but were still up about 18% for the fiscal year, as measured

by the Russell 1000 Value Index. Investors are now left wondering if better economic growth is sustainable, if geopolitical concerns such as North Korea will derail the recovery, and if Washington can pass tax reform after failing to reform the Affordable Care Act. As always, we remain focused on finding good companies trading at valuations below the broad market for reasons that we believe are temporary or overblown in nature.

Stock selection in health care detracted most from performance. We believe the stocks will recover, with the exception of Teva Pharmaceutical, where a poorly executed large acquisition destroyed significant shareholder value and compelled us to sell. Although there are concerns over product pricing and government regulation, health care stock valuations are attractive and the sector enjoys many long-term tailwinds, including demographics. Our tobacco holdings also hurt results as the Food and Drug Administration evaluated lowering nicotine levels in cigarettes.

An underweight allocation to—and strong selection within—the energy sector boosted performance. Our holdings are making solid progress in reducing cost structures to improve cash flows regardless of the oil price environment. The portfolio's underweight to areas of the market where investors have bid up valuations in their search for yield in a low interest rate environment also helped, as interest rates increased during the year.

Lazard Asset Management LLC

Portfolio Managers:

Andrew Lacey, Deputy Chairman

Christopher Blake, Managing Director

The Standard & Poor's 500 Index returned roughly 24% for the 12 months. Markets rallied toward the end of 2016 as investors gained more confidence in the U.S. economy's ability to withstand global geopolitical risks and optimism rose that the Trump administration would decrease regulation and work with Congress to lower corporate taxes and increase defense and infrastructure spending. However, the pace of the rally was tempered in the new year by the failure of a proposed health care bill to gain congressional approval.

Economic data were generally strong, as employment reports generally exceeded expectations and the economy posted GDP growth of at least 3.0% in the final two quarters of the fiscal year. Investors also gained confidence in the Republican Party's proposed tax reform plan, details of which began to emerge toward the end of the period. In light of an improving employment and inflation picture, the Federal Reserve raised interest rates in December, March, and June, with indications that a fourth hike could come before the end of 2017.

Stock selection within, and an underweight allocation to, the real estate sector boosted the portfolio's performance. Top contributors included Host Hotels & Resorts and Prologis. We sold our position in Host Hotels & Resorts in April, as we saw opportunities with better risk/reward profiles elsewhere. Our lack of exposure to the poorly performing utilities sector also helped returns.

Stock selection in consumer staples hindered relative performance; top detractors included Molson Coors Brewing and Kellogg. Stock selection in health care also hurt returns. Top detractors included Pfizer and Allergan. We sold our position in Allergan in October as our investment thesis no longer held up.

Hotchkis and Wiley Capital Management, LLC

Portfolio Managers:

George H. Davis, Jr.,
Chief Executive Officer

Sheldon J. Lieberman, Principal

Equity markets performed strongly over the fiscal year, and the Standard & Poor's 500 Index returned about 24% for the 12 months. Growth stocks outperformed value stocks, with the Russell 1000 Growth Index outperforming the Russell 1000 Value Index by about 12 percentage

points. Investors have shown an insatiable appetite for companies that have produced healthy top-line growth in an economy that is growing at a modest pace. The result is a large valuation gap between the value and growth indexes. We believe investors are viewing select growth companies through rose-colored glasses, and that their highly optimistic expectations are pushing up valuations of growth stocks.

In our experience, it is difficult for companies to live up to such enthusiasm. Accordingly, we view such highly valued stocks among the market's most notable risks. We focus on stocks that the market is less enamored of but that we believe are worth more than their current market price. We consider valuation support an important risk control, as a company can meet or exceed low expectations more easily than it can high expectations. On this basis, we have identified opportunities in financials, technology, and energy disproportionately; these are currently our most heavily weighted sectors.

Relative to the Russell 1000 Value Index, our stock selection was positive or neutral in ten of the 11 sectors. Being overweight in technology and underweight in consumer staples also helped. Stock selection in, and an overweight allocation to, consumer discretionary detracted modestly. We remain optimistic regarding the risk/return profile of the portfolio and are reassured by its large valuation discount relative to the market.

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 the Federal Reserve's moves to increase interest rates. Home builders, which have benefited from strong demand for new single family homes, contributed substantially to returns.

The portfolio also has investments in pharmaceutical, semiconductor, smartphone, and media industries—all industries where new products and services promise to stimulate faster growth. These trends have produced solid returns, especially in semiconductors, and we anticipate further gains. Strong gains in equity markets overall and in some of our major investments have prompted us to take actions to reduce risk, harvesting gains in volatile segments such as banks and housing and adding to investments in low-volatility industries such as food and beverages.

Vanguard Quantitative Equity Group

Portfolio Managers:

James P. Stetler

Binbin Guo, Principal, Head of
Alpha Equity Investments

Global economic growth, while uncertain and mixed at times, combined with rising corporate earnings to support a strong performance by the U.S. stock market for the fiscal year. Stock valuations also climbed as investors embraced risk.

U.S. economic fundamentals remained firm amid favorable consumer confidence, unemployment, and GDP data. The Federal Reserve acknowledged the economy's strength, raising the target for the federal funds rate to 1%–1.25% during the 12 months.

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, management decisions, consistent earnings growth, strong market sentiment, and reasonable valuation.

The results from our combined model were positive, driven primarily by our sentiment component. Results exceeded those of the benchmark in eight of 11 sectors and were strongest in information technology, followed by health care and consumer discretionary. Our energy holdings hurt relative performance the most. Real estate and telecommunication services also lagged the benchmark.

In information technology, NVIDIA and DXC Technology contributed the most to relative performance; Owens Corning did the same in industrials. Our underweighting of QUALCOMM in information technology and Schlumberger in energy also lifted relative performance. Disappointments included Southwestern Energy, Chesapeake Energy, and Newfield Exploration in energy and Spirit Realty in real estate. A lack of exposure to CSX in industrials also hurt relative performance.

Vanguard Windsor II Fund Investment Advisors

Investment Advisor	Fund Assets Managed		Investment Strategy
	%	\$ Million	
Barrow, Hanley, Mewhinney & Strauss, LLC	48	23,768	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	20	9,746	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	15	7,495	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	15	7,450	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	324	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	1	369	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.

Windsor II Fund

Fund Profile

As of October 31, 2017

Share-Class Characteristics

	Investor Shares	Admiral Shares
Ticker Symbol	VWNFX	VWNAX
Expense Ratio ¹	0.33%	0.25%
30-Day SEC Yield	1.96%	2.04%

Portfolio Characteristics

	Fund	Russell 1000 Value Index	DJ U.S. Total Market FA Index
Number of Stocks	278	714	3,787
Median Market Cap	\$90.6B	\$62.0B	\$62.0B
Price/Earnings Ratio	18.2x	18.9x	22.0x
Price/Book Ratio	2.2x	2.0x	2.9x
Return on Equity	14.3%	11.5%	15.1%
Earnings Growth Rate	5.6%	6.4%	9.8%
Dividend Yield	2.3%	2.4%	1.8%
Foreign Holdings	9.1%	0.0%	0.0%
Turnover Rate	32%	—	—
Short-Term Reserves	1.8%	—	—

Sector Diversification (% of equity exposure)

	Fund	Russell 1000 Value Index	DJ U.S. Total Market FA Index
Consumer Discretionary	9.8%	6.7%	12.2%
Consumer Staples	8.8	8.4	7.1
Energy	9.8	10.7	5.6
Financials	19.4	26.6	15.1
Health Care	16.4	13.7	13.5
Industrials	10.1	8.4	10.7
Information Technology	18.6	8.6	23.5
Materials	3.9	2.9	3.5
Real Estate	0.3	4.8	3.9
Telecommunication Services	2.6	2.8	1.7
Utilities	0.3	6.4	3.2

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

Volatility Measures

	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.

¹ The expense ratios shown are from the prospectus dated February 23, 2017, and represent estimated costs for the current fiscal year. For the fiscal year ended October 31, 2017, the expense ratios were 0.34% for Investor Shares and 0.26% for Admiral Shares.

Ten Largest Holdings (% of total net assets)

Microsoft Corp.	Systems Software	3.6%
Citigroup Inc.	Diversified Banks	2.9
Pfizer Inc.	Pharmaceuticals	2.7
Medtronic plc	Health Care Equipment	2.7
Bank of America Corp.	Diversified Banks	2.5
JPMorgan Chase & Co.	Diversified Banks	2.4
Oracle Corp.	Systems Software	2.3
Wells Fargo & Co.	Diversified Banks	2.3
United Technologies Corp.	Aerospace & Defense	2.0
Johnson Controls International plc	Building Products	2.0
Top Ten		25.4%

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

Investment Focus

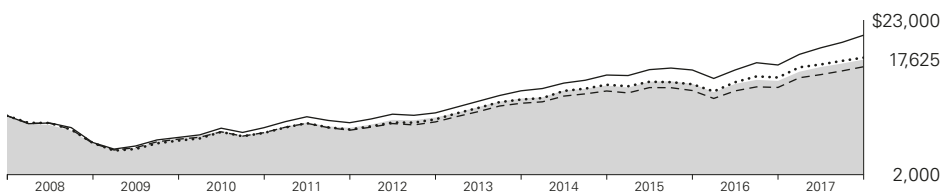
Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.) 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: October 31, 2007, Through October 31, 2017

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended October 31, 2017			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Windsor II Fund Investor Shares	19.60%	12.53%	5.83%	\$17,625
Russell 1000 Value Index	17.78	13.48	5.99	17,893
Large-Cap Value Funds Average	20.30	12.70	5.23	16,655
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.96	15.05	7.67	20,939

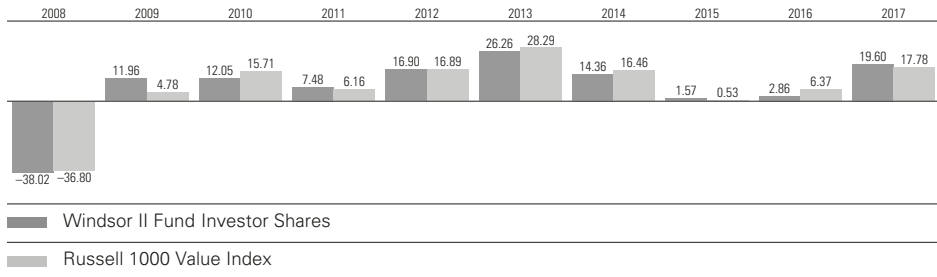
Large-Cap Value Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

	One Year	Five Years	Ten Years	Final Value of a \$50,000 Investment
Windsor II Fund Admiral Shares	19.68%	12.62%	5.92%	\$88,881
Russell 1000 Value Index	17.78	13.48	5.99	89,464
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.96	15.05	7.67	104,695

See Financial Highlights for dividend and capital gains information.

Windsor II Fund

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



Average Annual Total Returns: Periods Ended September 30, 2017

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	16.54%	12.22%	5.83%
Admiral Shares	5/14/2001	16.63	12.31	5.91

Financial Statements

Statement of Net Assets

As of October 31, 2017

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)	
Common Stocks (97.7%)¹						
Consumer Discretionary (9.5%)						
Dollar General Corp.	7,782,700	629,153		Bed Bath & Beyond Inc.	1,630,200	32,441
Lowe's Cos. Inc.	7,823,501	625,489		Lear Corp.	12,115	2,127
Twenty-First Century Fox Inc. Class A	23,597,400	617,072		Best Buy Co. Inc.	37,457	2,097
Comcast Corp. Class A	9,036,000	325,567		Tapestry Inc.	48,199	1,974
Adient plc	2,939,096	247,942		Royal Caribbean Cruises Ltd.	15,344	1,899
Delphi Automotive plc	1,870,026	185,843		Carnival Corp.	26,331	1,748
Omnicom Group Inc.	2,680,400	180,096		Liberty Global plc Class A	49,874	1,539
DR Horton Inc.	3,837,656	169,663		Ralph Lauren Corp. Class A	12,213	1,092
McDonald's Corp.	1,013,400	169,147		Hasbro Inc.	4,780	443
General Motors Co.	3,054,242	131,271		News Corp. Class B	24,011	334
* AutoZone Inc.	213,570	125,900		Toll Brothers Inc.	2,173	100
^A Discovery Communications Inc. Class A	6,197,800	117,014		H&R Block Inc.	3,429	85
* Madison Square Garden Co. Class A	504,267	112,295		Las Vegas Sands Corp.	1,170	74
Carter's Inc.	968,500	93,683				4,681,485
Lennar Corp. Class A	1,666,781	92,790		Consumer Staples (8.5%)		
CBS Corp. Class B	1,488,200	83,518		Philip Morris International Inc.	8,586,966	898,540
* Lululemon Athletica Inc.	1,218,450	74,947		Altria Group Inc.	10,394,832	667,556
Goodyear Tire & Rubber Co.	2,297,700	70,287		^ Imperial Brands plc ADR	15,372,750	635,509
Magna International Inc.	1,273,100	69,448		CVS Health Corp.	9,050,948	620,261
* Meritage Homes Corp.	1,345,510	65,526		Coca-Cola Co.	8,950,147	411,528
CalAtlantic Group Inc.	1,297,087	63,998		Molson Coors Brewing Co. Class B	3,172,878	256,591
* Discovery Communications Inc.	3,044,900	54,230		Kellogg Co.	3,391,075	212,044
* Dollar Tree Inc.	564,800	51,538		PepsiCo Inc.	1,792,721	197,612
Genuine Parts Co.	563,581	49,725		Nestle SA	1,448,100	121,841
Publicis Groupe SA	687,520	44,753		Kroger Co.	3,822,300	79,122
Honda Motor Co. Ltd.	1,390,321	43,569		Wal-Mart Stores Inc.	891,006	77,794
Hyundai Motor Co.	263,261	37,874		Procter & Gamble Co.	89,037	7,687
Target Corp.	590,013	34,834		Conagra Brands Inc.	57,714	1,972
^ Harley-Davidson Inc.	727,400	34,435		Bunge Ltd.	20,416	1,404
Honda Motor Co. Ltd. ADR	1,091,200	33,925		Campbell Soup Co.	20,834	987
				Kimberly-Clark Corp.	1,672	188
						4,190,636

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Energy (9.6%)					
ConocoPhillips	17,278,311	883,786	SunTrust Banks Inc.	2,878,950	173,342
Occidental Petroleum Corp.	11,000,757	710,319	BNP Paribas SA	2,121,364	165,573
BP plc ADR	15,766,049	641,205	Navient Corp.	12,014,941	149,706
Phillips 66	6,009,950	547,386	Aon plc	901,250	129,266
Chevron Corp.	2,316,078	268,410	* SLM Corp.	11,928,052	126,318
Cabot Oil & Gas Corp.	7,483,823	207,302	Discover Financial Services	1,761,600	117,199
Marathon Oil Corp.	13,871,900	197,258	Travelers Cos. Inc.	842,400	111,576
Apache Corp.	4,177,800	172,836	Goldman Sachs Group Inc.	408,474	99,047
Hess Corp.	3,305,500	145,971	Barclays plc	36,326,564	89,644
Schlumberger Ltd.	2,204,600	141,094	State Street Corp.	777,674	71,546
EOG Resources Inc.	1,294,550	129,287	Ally Financial Inc.	2,626,384	68,627
Royal Dutch Shell plc ADR	1,934,806	121,951	Banco de Sabadell SA	24,989,467	50,035
Murphy Oil Corp.	3,654,100	97,747	Sumitomo Mitsui Financial Group Inc.	1,036,900	41,541
Pioneer Natural Resources Co.	596,912	89,340	Bank of New York Mellon Corp.	775,395	39,894
Andeavor	761,125	80,862	CIT Group Inc.	821,600	38,303
Range Resources Corp.	4,260,227	77,153	Synchrony Financial	1,044,121	34,059
National Oilwell Varco Inc.	2,236,300	76,459	PNC Financial Services Group Inc.	25,074	3,430
Cimarex Energy Co.	466,680	54,569	Allstate Corp.	27,702	2,600
*^ Kosmos Energy Ltd.	5,732,500	44,026	Aflac Inc.	30,344	2,546
Exxon Mobil Corp.	111,067	9,257	Regions Financial Corp.	148,691	2,302
Valero Energy Corp.	35,435	2,795	Ameriprise Financial Inc.	14,414	2,256
Williams Cos. Inc.	66,802	1,904	Lincoln National Corp.	29,213	2,214
Devon Energy Corp.	43,279	1,597	Progressive Corp.	44,698	2,175
Marathon Petroleum Corp.	25,162	1,503	Comerica Inc.	26,867	2,111
* Chesapeake Energy Corp.	255,387	996	T. Rowe Price Group Inc.	22,197	2,062
*^ Cobalt International Energy Inc.	997,592	968	Unum Group	39,080	2,034
HollyFrontier Corp.	19,583	724	Everest Re Group Ltd.	8,230	1,954
* Newfield Exploration Co.	19,325	595	Zions Bancorporation	41,702	1,937
Targa Resources Corp.	1,457	60	Reinsurance Group of America Inc. Class A	11,918	1,780
		4,707,360	US Bancorp	15,698	854
			FNF Group	21,717	813
			Chubb Ltd.	1,421	214
			American Financial Group Inc.	646	68
					9,259,157
Financials (18.8%)			Health Care (15.9%)		
Citigroup Inc.	19,439,323	1,428,790	Pfizer Inc.	38,123,339	1,336,604
Bank of America Corp.	45,230,391	1,238,860	Medtronic plc	16,377,219	1,318,694
JPMorgan Chase & Co.	11,893,009	1,196,556	Johnson & Johnson	6,843,613	954,068
Wells Fargo & Co.	20,143,596	1,130,862	Sanofi ADR	16,064,900	759,549
American International Group Inc.	13,549,824	875,454	* Express Scripts Holding Co.	11,858,657	726,817
American Express Co.	8,096,910	773,417	Cardinal Health Inc.	9,569,281	592,339
Citizens Financial Group Inc.	6,360,008	241,744	Merck & Co. Inc.	6,042,392	332,875
Intercontinental Exchange Inc.	3,347,000	221,237	Anthem Inc.	1,487,865	311,276
Fifth Third Bancorp	7,437,771	214,952	UnitedHealth Group Inc.	1,292,500	271,709
Morgan Stanley	4,208,660	210,433	Cigna Corp.	945,355	186,443
Capital One Financial Corp.	2,059,300	189,826	Gilead Sciences Inc.	2,006,142	150,380

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Koninklijke Philips NV	3,571,814	145,694	American Airlines Group Inc.	44,402	2,079
Zoetis Inc.	2,223,547	141,907	Owens Corning	24,336	2,012
* Biogen Inc.	426,705	132,987	Rockwell Automation Inc.	9,715	1,951
^ GlaxoSmithKline plc			ManpowerGroup Inc.	12,181	1,502
ADR	3,083,700	112,339	* JetBlue Airways Corp.	60,469	1,158
Roche Holding AG	362,000	83,670	L3 Technologies Inc.	5,191	972
Humana Inc.	326,800	83,448	Norfolk Southern Corp.	5,059	665
Stryker Corp.	511,250	79,177	Waste Management Inc.	3,853	317
AbbVie Inc.	615,772	55,574			4,826,476
Zimmer Biomet Holdings Inc.	325,300	39,563	Information Technology (18.1%)		
Aetna Inc.	18,998	3,230	Microsoft Corp.	21,266,311	1,768,932
Eli Lilly & Co.	36,882	3,022	Oracle Corp.	22,313,000	1,135,732
Amgen Inc.	12,391	2,171	QUALCOMM Inc.	12,806,703	653,270
Agilent Technologies Inc.	31,405	2,137	Apple Inc.	3,858,456	652,233
Quest Diagnostics Inc.	17,469	1,638	* Alphabet Inc. Class A	458,898	474,060
* Quintiles IMS Holdings Inc.	9,700	1,049	* Alphabet Inc. Class C	396,656	403,256
Abbott Laboratories	16,412	890	Samsung Electronics Co. Ltd.	153,400	378,147
Baxter International Inc.	8,407	542	* eBay Inc.	9,724,684	366,037
* INC Research Holdings Inc. Class A	8,161	466	Cisco Systems Inc.	10,471,107	357,588
Allergan plc	1,598	283	Hewlett Packard Enterprise Co.	25,095,100	349,324
PerkinElmer Inc.	911	66	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	7,567,119	320,316
		7,830,607	Intel Corp.	5,822,221	264,853
Industrials (9.8%)			Visa Inc. Class A	2,281,800	250,952
United Technologies Corp.	8,285,550	992,277	Motorola Solutions Inc.	2,658,505	240,701
Johnson Controls International plc	23,853,674	987,304	Corning Inc.	6,656,500	208,415
General Electric Co.	37,610,294	758,223	Skyworks Solutions Inc.	1,823,500	207,624
General Dynamics Corp.	2,006,200	407,218	^ Telefonaktiebolaget LM Ericsson ADR	32,531,200	203,320
United Parcel Service Inc. Class B	2,436,700	286,385	DXC Technology Co.	1,464,572	134,038
Eaton Corp. plc	3,069,900	245,653	* Vantiv Inc. Class A	1,345,100	94,157
Raytheon Co.	1,008,183	181,675	Applied Materials Inc.	1,480,450	83,542
Cummins Inc.	958,931	169,616	Cypress Semiconductor Corp.	5,080,750	80,581
CNH Industrial NV	11,893,000	151,041	* Palo Alto Networks Inc.	542,800	79,900
Honeywell International Inc.	721,400	103,997	* CoreLogic Inc.	1,657,050	77,716
Rockwell Collins Inc.	753,400	102,161	TE Connectivity Ltd.	434,900	39,563
Deere & Co.	736,848	97,912	* Teradata Corp.	1,161,200	38,842
Stanley Black & Decker Inc.	488,022	78,840	HP Inc.	132,449	2,854
Parker-Hannifin Corp.	306,900	56,043	Western Digital Corp.	26,898	2,401
* Copart Inc.	1,451,450	52,673	International Business Machines Corp.	14,055	2,165
* Kirby Corp.	561,850	39,807	NVIDIA Corp.	9,119	1,886
PACCAR Inc.	496,900	35,643	Teradyne Inc.	42,226	1,811
^ Wabtec Corp.	450,675	34,477	* Dell Technologies Inc. Class V	21,820	1,806
Embraer SA ADR	1,339,300	25,634	Marvell Technology Group Ltd.	94,345	1,743
Caterpillar Inc.	29,844	4,053	Western Union Co.	59,647	1,185
3M Co.	13,420	3,089	Seagate Technology plc	31,723	1,173
Allison Transmission Holdings Inc.	49,407	2,099			

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)	
* NCR Corp.	27,975	898	Telecommunication Services (2.6%)			
Avnet Inc.	13,200	525		Verizon		
Leidos Holdings Inc.	7,106	444		Communications Inc.	13,872,306	664,067
Xerox Corp.	2,740	83		AT&T Inc.	12,795,471	430,568
		8,882,073		Vodafone Group plc		
Materials (3.8%)				ADR	5,525,636	160,133
Air Products & Chemicals Inc.	5,077,162	809,452	* Sprint Corp.	144,691	946	
DowDuPont Inc.	7,627,810	551,567			1,255,714	
* Crown Holdings Inc.	3,316,200	199,536	Utilities (0.3%)			
Steel Dynamics Inc.	2,397,150	89,198	* Calpine Corp.	3,742,300	55,910	
PPG Industries Inc.	702,300	81,635	Southern Co.	535,800	27,969	
International Paper Co.	988,300	56,600	PPL Corp.	661,300	24,838	
^ Agrium Inc.	474,750	51,710	NextEra Energy Inc.	23,773	3,687	
LyondellBasell Industries NV Class A	26,940	2,789	Energy Corp.	25,280	2,181	
Albemarle Corp.	14,893	2,098	PG&E Corp.	37,001	2,138	
* Freepport-McMoRan Inc.	114,659	1,603	FirstEnergy Corp.	63,322	2,086	
Newmont Mining Corp.	35,479	1,283	Ameren Corp.	33,622	2,084	
Packaging Corp. of America	8,219	955	CenterPoint Energy Inc.	68,778	2,034	
Avery Dennison Corp.	3,052	324	NRG Energy Inc.	68,589	1,715	
Eastman Chemical Co.	3,542	322	AES Corp.	146,149	1,554	
WestRock Co.	3,359	206	National Fuel Gas Co.	26,382	1,531	
		1,849,278	DTE Energy Co.	8,238	910	
Other (0.5%)			Avangrid Inc.	9,404	486	
SPDR S&P500 ETF Trust	737,143	189,556	Xcel Energy Inc.	3,609	179	
2 Vanguard Value ETF	630,600	64,101	Eversource Energy	2,072	130	
		253,657			129,432	
Real Estate (0.3%)			Total Common Stocks		48,009,093	
Prologis Inc.	2,058,650	132,948	(Cost \$35,294,216)			
Gaming and Leisure Properties Inc.	49,345	1,803	Temporary Cash Investments (2.5%)¹			
Host Hotels & Resorts Inc.	87,896	1,719	Money Market Fund (2.4%)			
Omega Healthcare Investors Inc.	55,481	1,601	^{3,4} Vanguard Market Liquidity Fund, 1.246%	12,403,154	1,240,439	
Senior Housing Properties Trust	86,485	1,591			Face Amount (\$000)	
Park Hotels & Resorts Inc.	33,048	951				
Forest City Realty Trust Inc. Class A	32,931	811	U.S. Government and Agency Obligations (0.1%)			
Hospitality Properties Trust	19,400	554	⁵ United States Cash Management Bill, 1.048%, 1/2/18	25,000	24,955	
WP Carey Inc.	8,019	547	⁵ United States Treasury Bill, 1.169%, 3/22/18	100	100	
Uniti Group Inc.	20,393	357			25,055	
Essex Property Trust Inc.	787	207	Total Temporary Cash Investments		1,265,494	
Iron Mountain Inc.	3,231	129	(Cost \$1,265,505)			
		143,218	Total Investments (100.2%)		49,274,587	
			(Cost \$36,559,721)			

	Amount (\$000)
Other Assets and Liabilities (-0.2%)	
Other Assets	
Investment in Vanguard	3,015
Receivables for Investment Securities	
Sold	12,235
Receivables for Accrued Income	48,953
Variation Margin Receivable	611
Receivables for Capital Shares Issued	5,840
Other Assets	4,416
Total Other Assets	75,070
Liabilities	
Payables for Investment Securities	
Purchased	(29,995)
Collateral for Securities on Loan	(61,324)
Payables to Investment Advisor	(14,349)
Payables for Capital Shares Redeemed	(22,871)
Payables to Vanguard	(69,209)
Total Liabilities	(197,748)
Net Assets (100%)	49,151,909

At October 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in Capital	33,266,823
Undistributed Net Investment Income	250,774
Accumulated Net Realized Gains	2,918,723
Unrealized Appreciation (Depreciation)	
Investment Securities	12,714,866
Futures Contracts	743
Foreign Currencies	(20)
Net Assets	49,151,909

	Amount (\$000)
Investor Shares—Net Assets	
Applicable to 351,397,454 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	13,637,701
Net Asset Value Per Share— Investor Shares	\$38.81

Admiral Shares—Net Assets	
Applicable to 515,599,445 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	35,514,208
Net Asset Value Per Share— Admiral Shares	\$68.88

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

^A Includes partial security positions on loan to broker-dealers.
The total value of securities on loan is \$57,649,000.

- 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 98.3% and 1.9%, respectively, of net assets.
- Considered an affiliated company of the fund as the issuer is another member of The Vanguard Group.
- Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.
- Includes \$61,324,000 of collateral received for securities on loan.
- Securities with a value of \$12,253,000 have been segregated as initial margin for open futures contracts.
ADR—American Depository 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)
<hr/> Long Futures Contracts <hr/>				
E-mini S&P 500 Index	December 2017	2,447	314,770	743

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

Statement of Operations

Year Ended
October 31, 2017
(\$000)

Investment Income	
Income	
Dividends ^{1,2}	1,113,862
Interest ²	13,037
Securities Lending—Net	1,681
Total Income	1,128,580
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	67,179
Performance Adjustment	(10,379)
The Vanguard Group—Note C	
Management and Administrative—Investor Shares	28,431
Management and Administrative—Admiral Shares	44,091
Marketing and Distribution—Investor Shares	1,945
Marketing and Distribution—Admiral Shares	1,755
Custodian Fees	459
Auditing Fees	51
Shareholders' Reports and Proxy—Investor Shares	771
Shareholders' Reports and Proxy—Admiral Shares	576
Trustees' Fees and Expenses	84
Total Expenses	134,963
Expenses Paid Indirectly	(1,723)
Net Expenses	133,240
Net Investment Income	995,340
Realized Net Gain (Loss)	
Investment Securities Sold ²	3,164,618
Futures Contracts	32,520
Foreign Currencies	(31)
Realized Net Gain (Loss)	3,197,107
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	4,303,837
Futures Contracts	1,080
Foreign Currencies	92
Change in Unrealized Appreciation (Depreciation)	4,305,009
Net Increase (Decrease) in Net Assets Resulting from Operations	8,497,456

1 Dividends are net of foreign withholding taxes of \$15,616,000.

2 Dividend income, interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from affiliated companies of the fund were \$1,567,000, \$12,892,000, \$27,000, and \$9,790,000, respectively.

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

Statement of Changes in Net Assets

	Year Ended October 31,	
	2017 (\$000)	2016 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	995,340	1,133,226
Realized Net Gain (Loss)	3,197,107	2,821,008
Change in Unrealized Appreciation (Depreciation)	4,305,009	(2,689,493)
Net Increase (Decrease) in Net Assets Resulting from Operations	8,497,456	1,264,741
Distributions		
Net Investment Income		
Investor Shares	(328,011)	(322,488)
Admiral Shares	(780,981)	(710,701)
Realized Capital Gain ¹		
Investor Shares	(754,617)	(772,959)
Admiral Shares	(1,716,810)	(1,596,656)
Total Distributions	(3,580,419)	(3,402,804)
Capital Share Transactions		
Investor Shares	(1,593,453)	(908,254)
Admiral Shares	1,063,814	650,239
Net Increase (Decrease) from Capital Share Transactions	(529,639)	(258,015)
Total Increase (Decrease)	4,387,398	(2,396,078)
Net Assets		
Beginning of Period	44,764,511	47,160,589
End of Period ²	49,151,909	44,764,511

¹ Includes fiscal 2017 and 2016 short-term gain distributions totaling \$129,480,000 and \$218,890,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

² Net Assets—End of period includes undistributed (overdistributed) net investment income of \$250,774,000 and \$364,457,000.

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$35.03	\$36.73	\$39.59	\$36.19	\$29.33
Investment Operations					
Net Investment Income	.750 ¹	.847 ¹	.809	.868	.740
Net Realized and Unrealized Gain (Loss) on Investments	5.847	.096	(.229)	4.167	6.842
Total from Investment Operations	6.597	.943	.580	5.035	7.582
Distributions					
Dividends from Net Investment Income	(.851)	(.781)	(.827)	(.838)	(.722)
Distributions from Realized Capital Gains	(1.966)	(1.862)	(2.613)	(.797)	—
Total Distributions	(2.817)	(2.643)	(3.440)	(1.635)	(.722)
Net Asset Value, End of Period	\$38.81	\$35.03	\$36.73	\$39.59	\$36.19
Total Return²	19.60%	2.86%	1.57%	14.36%	26.26%

Ratios/Supplemental Data

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

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%), (0.03%), (0.02%), 0.00%, and (0.01%).

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$62.18	\$65.20	\$70.27	\$64.23	\$52.06
Investment Operations					
Net Investment Income	1.377 ¹	1.552 ¹	1.492	1.601	1.366
Net Realized and Unrealized Gain (Loss) on Investments	10.376	.168	(.401)	7.398	12.134
Total from Investment Operations	11.753	1.720	1.091	8.999	13.500
Distributions					
Dividends from Net Investment Income	(1.565)	(1.437)	(1.525)	(1.545)	(1.330)
Distributions from Realized Capital Gains	(3.488)	(3.303)	(4.636)	(1.414)	—
Total Distributions	(5.053)	(4.740)	(6.161)	(2.959)	(1.330)
Net Asset Value, End of Period	\$68.88	\$62.18	\$65.20	\$70.27	\$64.23
Total Return²	19.68%	2.94%	1.66%	14.46%	26.36%

Ratios/Supplemental Data

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

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%), (0.03%), (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 year ended October 31, 2017, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period

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 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 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 October 31, 2017, 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 \$397,000 for the year ended October 31, 2017.

For the year ended October 31, 2017, 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 decrease of \$10,379,000 (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.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At October 31, 2017, the fund had contributed to Vanguard capital in the amount of \$3,015,000, representing 0.01% of the fund's net assets and 1.21% 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 year ended October 31, 2017, these arrangements reduced the fund's management and administrative expenses by \$1,722,000 and custodian fees by \$1,000. 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 October 31, 2017, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	46,952,446	1,056,647	—
Temporary Cash Investments	1,240,439	25,055	—
Futures Contracts—Assets ¹	611	—	—
Total	48,193,496	1,081,702	—

¹ 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 used a tax accounting practice to treat a portion of the price of capital shares redeemed during the year as distributions from realized capital gains. Accordingly, the fund has reclassified \$235,575,000 from accumulated net realized gains to paid-in capital.

For tax purposes, at October 31, 2017, the fund had \$506,613,000 of ordinary income and \$2,823,429,000 of long-term capital gains available for distribution.

At October 31, 2017, the cost of investment securities for tax purposes was \$36,654,694,000. Net unrealized appreciation of investment securities for tax purposes was \$12,619,893,000, consisting of unrealized gains of \$14,780,129,000 on securities that had risen in value since their purchase and \$2,160,236,000 in unrealized losses on securities that had fallen in value since their purchase.

G. During the year ended October 31, 2017, the fund purchased \$14,696,581,000 of investment securities and sold \$17,840,412,000 of investment securities, other than temporary cash investments.

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

	Year Ended October 31,			
	2017		2016	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	649,950	17,561	680,830	20,254
Issued in Lieu of Cash Distributions	1,057,833	29,591	1,070,182	31,483
Redeemed	(3,301,236)	(88,909)	(2,659,266)	(77,750)
Net Increase (Decrease)—Investor Shares	(1,593,453)	(41,757)	(908,254)	(26,013)
Admiral Shares				
Issued	3,043,402	46,187	2,193,824	36,339
Issued in Lieu of Cash Distributions	2,363,797	37,258	2,188,705	36,288
Redeemed	(4,343,385)	(66,275)	(3,732,290)	(61,400)
Net Increase (Decrease)—Admiral Shares	1,063,814	17,170	650,239	11,227

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

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Windsor Funds and the Shareholders of Vanguard Windsor II 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 Windsor II Fund (constituting a separate portfolio of Vanguard Windsor Funds, hereafter referred to as the "Fund") as of October 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, 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 as of October 31, 2017 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent, provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
December 13, 2017

Special 2017 tax information (unaudited) for Vanguard Windsor II Fund

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

The fund distributed \$2,562,292,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

For nonresident alien shareholders, 100% of short-term capital gain dividends distributed by the fund are qualified short-term capital gains.

The fund distributed \$1,183,184,000 of qualified dividend income to shareholders during the fiscal year.

For corporate shareholders, 68.1% 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, using actual prior-year figures and estimates for 2017. (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: Windsor II Fund Investor Shares

Periods Ended October 31, 2017

	One Year	Five Years	Ten Years
Returns Before Taxes	19.60%	12.53%	5.83%
Returns After Taxes on Distributions	17.46	10.89	4.67
Returns After Taxes on Distributions and Sale of Fund Shares	12.55	9.73	4.47

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 October 31, 2017

Windsor II Fund	Beginning Account Value 4/30/2017	Ending Account Value 10/31/2017	Expenses Paid During Period
Based on Actual Fund Return			
Investor Shares	\$1,000.00	\$1,060.60	\$1.77
Admiral Shares	1,000.00	1,060.99	1.35
Based on Hypothetical 5% Yearly Return			
Investor Shares	\$1,000.00	\$1,023.49	\$1.73
Admiral Shares	1,000.00	1,023.89	1.33

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 (184/365).

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 200 Vanguard funds.

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

Interested Trustee¹

F. William McNabb III

Born 1957. Trustee Since July 2009. Chairman of the Board. Principal Occupation(s) During the Past Five Years and Other Experience: Chairman of the Board of The Vanguard Group, Inc., and of each of the investment companies served by The Vanguard Group, since January 2010; Chief Executive Officer and Director of The Vanguard Group and President and Chief Executive Officer of each of the investment companies served by The Vanguard Group, since 2008; Director of Vanguard Marketing Corporation; President of The Vanguard Group (2008–2017); Managing Director of The Vanguard Group (1995–2008).

Executive in Residence and 2009–2010

Distinguished Minett Professor at the Rochester Institute of Technology; Lead Director of SPX FLOW, Inc. (multi-industry manufacturing); Director of the United Way of Rochester, the University of Rochester Medical Center, Monroe Community College Foundation, North Carolina A&T University, and Roberts Wesleyan College; Trustee of the University of Rochester.

Rajiv L. Gupta

Born 1945. Trustee Since December 2001.² Principal Occupation(s) During the Past Five Years and Other Experience: Chairman and Chief Executive Officer (retired 2009) and President (2006–2008) of Rohm and Haas Co. (chemicals); Director of Arconic Inc. (diversified manufacturer), HP Inc. (printer and personal computer manufacturing), and Delphi Automotive plc (automotive components); Senior Advisor at New Mountain Capital.

Independent Trustees

Emerson U. Fullwood

Born 1948. Trustee Since January 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Executive Chief Staff and Marketing Officer for North America and Corporate Vice President (retired 2008) of Xerox Corporation (document management products and services);

Amy Gutmann

Born 1949. Trustee Since June 2006. Principal Occupation(s) During the Past Five Years and Other Experience: President of the University of Pennsylvania; Christopher H. Browne

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

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

Distinguished Professor of Political Science, School of Arts and Sciences, and Professor of Communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania; Trustee of the National Constitution Center.

JoAnn Heffernan Heisen

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

F. Joseph Loughrey

Born 1949. Trustee Since October 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2009) of Cummins Inc. (industrial machinery); Chairman of the Board of Hillenbrand, Inc. (specialized consumer services), Oxfam America, and the Lumina Foundation for Education; Director of the V Foundation for Cancer Research; Member of the Advisory Council for the College of Arts and Letters and Chair of the Advisory Board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

Mark Loughridge

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

Scott C. Malpass

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

André F. Perold

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

Peter F. Volanakis

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

Executive Officers

Glenn Booraem

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

Thomas J. Higgins

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

Peter Mahoney

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

Anne E. Robinson

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

Michael Rollings

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

Vanguard Senior Management Team

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

Chairman Emeritus and Senior Advisor

John J. Brennan

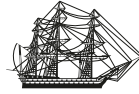
Chairman, 1996–2009

Chief Executive Officer and President, 1996–2008

Founder

John C. Bogle

Chairman and Chief Executive Officer, 1974–1996



Vanguard®

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

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

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

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