

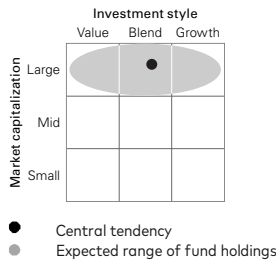
# Vanguard® Institutional 500 Index Trust Unit FLX

## Investment Approach

Seeks to track the performance of the S&P 500 Index.  
 U.S. large-cap equity diversified across growth and value styles.  
 Expected to achieve its investment objective by investing in Institutional Select shares of the Vanguard 500 Index Fund.  
 Trust remains fully invested.  
 Low expenses minimize net tracking error.

## Vanguard Style View

Index portfolio with exposure to large-capitalization U.S. stocks diversified across investment styles.



## Quarterly Commentary

Major stock markets continued to advance in the first quarter of 2024, with a number of indexes reaching record highs. In the U.S., inflation readings came in higher than expected, but the labor market stayed on a solid footing, consumer spending remained strong, and the economy showed continued vigor. Given this backdrop, the Federal Reserve left interest rates unchanged.

Global stocks returned just shy of 8% for the quarter, as measured by the FTSE Global All Cap Index. U.S. equities led the way, while those in emerging markets lagged but still finished in positive territory.

With rate cuts looking less imminent, bond yields generally rose and prices declined. The broad U.S. investment-grade bond market returned -0.72% (as measured by the Bloomberg U.S. Aggregate Float Adjusted Index).

The Standard & Poor's 500 Index returned 10.56% for the three months ended March 31.

The top contributors were information technology (+12.7%), financials (+12.5%), and communication services (+15.8%).

The lone detractor was real estate (-0.6%).

For the 12 months ended March 31, the index returned 29.88%. The largest contributors were IT (+46.0%), financials (+33.6%), and communication services (+50.1%). Utilities (+0.42%) marginally detracted.

## People and Process

Vanguard Institutional 500 Index Trust seeks to track the investment performance of the Standard & Poor's 500 Index, an unmanaged benchmark representing U.S. large-capitalization stocks. The trust portfolio currently invests all its assets in Institutional Select shares of the Vanguard 500 Index Fund. Through this investment, the trust fully replicates the index, meaning that it holds all stocks in the same capitalization weighting as the index.

## Vanguard Equity Index Group

Launched in 1975, The Vanguard Group, Malvern, Pennsylvania, is among the world's largest equity and fixed income managers. As chief investment officer, Gregory Davis, CFA, oversees Vanguard's Equity Index, Investment Strategy, Quantitative Equity, and Fixed Income Groups. Rodney Comegys, Principal and global head of Vanguard's Equity Index Group, is responsible for all equity index funds. The Equity Index Group manages indexed equity portfolios covering U.S. and international markets. It has developed sophisticated portfolio construction methodologies and efficient trading strategies that seek to deliver returns that are highly correlated with target portfolio benchmarks. The group has advised Vanguard Institutional 500 Index Trust since 2016.

**Total Returns**

	Expense Ratio	Quarter	Year to Date	1 Year	3 Years	5 Years	Since Inception
Institutional 500 Index Trust Unit FLX (6/24/2016)	—	10.55%	10.55%	29.87%	11.48%	15.04%	15.01%
S&P 500 Index	—	10.56	10.56	29.88	11.49	15.05	15.02 <sup>1</sup>

<sup>1</sup> Since the fund's inception, 6/24/2016

**The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. 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). The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.** Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

**Quarterly Returns**

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year-End		
					Instl 500 Indx Trust Unit FLX	S&P 500 Index	Assets (Millions)
2024	10.55%	—	—	—	—	—	\$161,036
2023	7.50	8.74%	-3.28%	11.69%	26.28%	26.29%	141,693
2022	-4.61	-16.10	-4.89	7.56	-18.13	-18.11	111,910
2021	6.18	8.55	0.58	11.02	28.70	28.71	120,531
2020	-19.60	20.55	8.94	12.15	18.40	18.40	93,863
2019	13.66	4.30	1.69	9.07	31.49	31.49	79,803
2018	-0.76	3.42	7.71	-13.52	-4.40	-4.38	
2017	6.07	3.08	4.49	6.64	21.83	21.83	
2016 <sup>2</sup>	—	3.05	3.85	3.83	11.12	11.11	

<sup>2</sup> Since inception of the share class, 6/24/2016.

**Fund Facts**

Fund Number	2040
CUSIP Number	92206T105
Assets (millions)	\$161,036
Inception	6/24/2016

**Volatility Measures**

	R-Squared	Beta
S&P 500 Index	1.00	1.00
DJ US Total Stock Mkt Float Adj Idx	0.99	0.98

R-squared and beta are calculated from trailing 36-month fund returns relative to the associated benchmark.



## Important information

**The Vanguard collective trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.**

All investing is subject to risk, including the possible loss of the money you invest.

Please remember that all investments involve some risk. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Diversification does not ensure a profit or protect against a loss. Funds that concentrate on a relatively narrow market sector face the risk of higher share-price volatility.

Investments in bonds are subject to interest rate, credit, and inflation risk.

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