

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Vanguard REIT Index Fund Institutional Shares		2 Issuer's employer identification number (EIN) 23-2834924	
3 Name of contact for additional information Vanguard Investor and Client Information	4 Telephone No. of contact 877-662-7447	5 Email address of contact online@vanguard.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 2600		7 City, town, or post office, state, and Zip code of contact Valley Forge, PA 19482	
8 Date of action December 31, 2016	9 Classification and description Regulated Investment Company - Institutional Shares		
10 CUSIP number 921908869	11 Serial number(s)	12 Ticker symbol VGSNX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Vanguard REIT Index Fund Institutional Shares ("The Fund") made cash distributions during the calendar year 2016 to its shareholders as follows:**

2016 Record Date	Distribution Per Share
March 17, 2016	\$0.201
June 17, 2016	\$0.169
September 9, 2016	\$0.132
December 20, 2016	\$0.373

For 2016, The Fund determined that a portion of these distributions constitute a non-taxable return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Of The Fund's total cash distributions during 2016 to its shareholders, a portion is non-taxable return of capital. This amount is a non-taxable return of capital to the extent of a shareholder's tax basis in each of its Fund shares, with any remaining amount being taxed as capital gain to a shareholder.**

2016 Record Date	Reduction in Basis Per Share
March 17, 2016	\$0.053576
June 17, 2016	\$0.045047
September 9, 2016	\$0.035185
December 20, 2016	\$0.099423

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The calculation of the return of capital is based upon the The Fund's accumulated earnings and profits as of its fiscal year ended January 31, 2017. The amount of the return of capital should be applied against the shareholder's adjusted basis of the stock, reducing the basis until it is zero. The amount of the return of capital, if any, that exceeds a zero basis shall be treated as a gain from the sale or exchange of property.**

