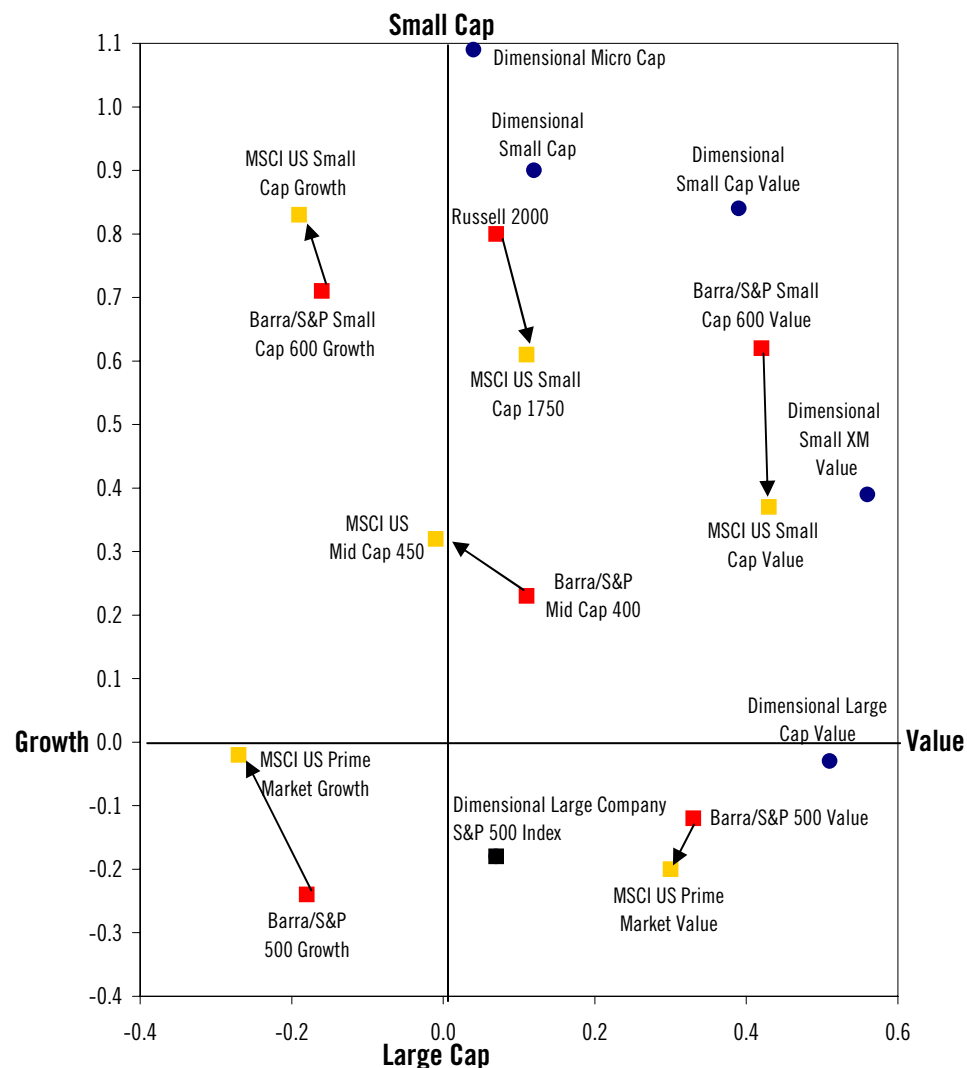


Vanguard Fund Indexes: New vs. Old

Three-Factor Regression Results: Domestic Equity

Monthly Data (Adjusted for Risk-free Rate): January 1995 - December 2004



| Manager | E(R)%* | a(%) | Beta (b) | Size (s) | Value (h) | R ² |
|----------------------------------|--------|-------|----------|----------|-----------|----------------|
| Dimensional Large Company | -0.08 | 0.02 | 1.00 | -0.18 | 0.07 | 0.99 |
| Dimensional Large Cap Value | 1.98 | 0.10 | 0.98 | -0.03 | 0.51 | 0.84 |
| Dimensional Small Cap | 2.28 | -0.03 | 0.90 | 0.90 | 0.12 | 0.96 |
| Dimensional Small Cap Value | 3.24 | 0.24 | 0.83 | 0.84 | 0.39 | 0.91 |
| Dimensional Small XM Value | 3.02 | 0.55 | 0.86 | 0.39 | 0.56 | 0.81 |
| Dimensional Micro Cap | 2.34 | 0.19 | 0.82 | 1.09 | 0.04 | 0.93 |
| MSCI Prime Market Value Index | 0.80 | 0.20 | 0.86 | -0.20 | 0.30 | 0.91 |
| MSCI Prime Market Growth Index | -1.12 | -0.12 | 1.17 | -0.02 | -0.27 | 0.94 |
| MSCI Mid Cap 450 Index | 0.60 | 0.12 | 0.99 | 0.32 | -0.01 | 0.92 |
| MSCI Small Cap Growth Index | 0.90 | -0.22 | 1.18 | 0.83 | -0.19 | 0.96 |
| MSCI Small Cap 1750 Index | 1.66 | 0.03 | 0.95 | 0.61 | 0.11 | 0.93 |
| MSCI Small Cap Value Index | 2.46 | 0.26 | 0.74 | 0.37 | 0.43 | 0.77 |
| Barra S&P 500 Value Index | 1.08 | -0.03 | 1.00 | -0.12 | 0.33 | 0.95 |
| Barra S&P 500 Growth Index | -1.20 | 0.09 | 1.00 | -0.24 | -0.18 | 0.93 |
| Barra Small Cap 600 Value Index | 2.92 | 0.12 | 0.87 | 0.62 | 0.42 | 0.84 |
| Barra Midcap 400 Index | 0.90 | 0.24 | 0.97 | 0.23 | 0.11 | 0.85 |
| Barra Small Cap 600 Growth Index | 0.78 | -0.04 | 0.86 | 0.71 | -0.16 | 0.85 |
| Russell 2000 Index | 1.88 | -0.18 | 0.90 | 0.80 | 0.07 | 0.93 |
| S&P 500 Index | -0.08 | 0.04 | 1.00 | -0.18 | 0.07 | 0.99 |

| Vanguard Fund | New Index |
|----------------------------|-----------------------------------|
| Mid-Cap Index Fund | MSCI US Mid Cap 450 Index |
| Value Index Fund | MSCI US Prime Market Value Index |
| Growth Index Fund | MSCI US Prime Market Growth Index |
| Small Cap Index Fund | MSCI US Small Cap 1750 Index |
| Small Cap Value Index Fund | MSCI US Small Cap Value Index |
| Small Cap Growth Fund | MSCI US Small Cap Growth Index |

Legend

Red square denotes old Vanguard Index
Gold square denotes new Vanguard Index

Notes

*E(R) = Expected annual return over the market return from size and value exposure. E(R) is calculated using premiums equal to 2.0% and 4.0% for size and value, respectively. Expected Return is not a guarantee of future return.

Highlighted box in above table indicates significant result (t-stat greater than 2.0).

Source: Dimensional fund returns from Dimensional Fund Advisors Inc.; S&P 500 Index and Barra Index returns from Ibbotson Associates; MSCI Index returns from Morgan Stanley Capital International Inc.

