

Annual Report | January 31, 2023

Vanguard Real Estate Index Funds

Vanguard Real Estate Index Fund

Vanguard Real Estate II Index Fund

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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.

Your Fund's Performance at a Glance

- For the 12 months ended January 31, 2023, returns for Vanguard Real Estate Index Fund ranged from -11.39% for Investor Shares to -11.27% for Institutional Shares, -11.26% for Admiral Shares, and -11.25% for ETF Shares (based on net asset value). Vanguard Real Estate II Index Fund returned -11.23%. The results slightly lagged those of the funds' benchmark index.
- Despite some relief in midsummer and toward the end of the period, it was a volatile, challenging time for financial markets. Early on, inflation readings around much of the world continued climbing to multidecade highs amid supply chain bottlenecks, rising energy and food prices, and broader price increases in goods and services. Central banks responded by aggressively tightening monetary policy. Later, it appeared that inflation might have peaked, and central banks began slowing their pace of interest rate hikes.
- Sticky inflation, dramatic rate hikes, and fears of a recession weighed heavily on sentiment in the stock market.
- The majority of the 12 sectors recorded negative returns for the 12 months. Real estate operating companies, mortgage and office REITs, and real estate services performed the worst.
- For the 10 years ended January 31, 2023, average annual returns for the Real Estate Index Fund ranged from 6.95% for Investor Shares to 7.08% for the Real Estate ETF, 7.09% for Admiral Shares, and 7.11% for Institutional Shares, in line with its benchmark's return. The Real Estate Index II Fund launched in 2017 and doesn't have a 10-year record.

Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2023		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	-8.55%	9.66%	9.38%
Russell 2000 Index (Small-caps)	-3.38	7.51	5.54
Russell 3000 Index (Broad U.S. market)	-8.24	9.51	9.12
FTSE All-World ex US Index (International)	-5.39	4.15	1.73
Bonds			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	-8.40%	-2.34%	0.89%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	-3.25	-0.42	2.07
FTSE Three-Month U.S. Treasury Bill Index	1.87	0.78	1.29
CPI			
Consumer Price Index	6.41%	5.06%	3.83%

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 January 31, 2023

	Beginning Account Value 7/31/2022	Ending Account Value 1/31/2023	Expenses Paid During Period
Based on Actual Fund Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$ 943.00	\$1.27
ETF Shares	1,000.00	943.70	0.59
Admiral™ Shares	1,000.00	943.40	0.59
Institutional Shares	1,000.00	943.50	0.49
Real Estate II Index Fund	\$1,000.00	\$ 943.70	\$0.39
Based on Hypothetical 5% Yearly Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,023.89	\$1.33
ETF Shares	1,000.00	1,024.60	0.61
Admiral Shares	1,000.00	1,024.60	0.61
Institutional Shares	1,000.00	1,024.70	0.51
Real Estate II Index Fund	\$1,000.00	\$1,024.80	\$0.41

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Real Estate Index Fund, 0.26% for Investor Shares, 0.12% for ETF Shares, 0.12% for Admiral Shares, and 0.10% for Institutional Shares; and for the Real Estate II Index Fund, 0.08%. 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).

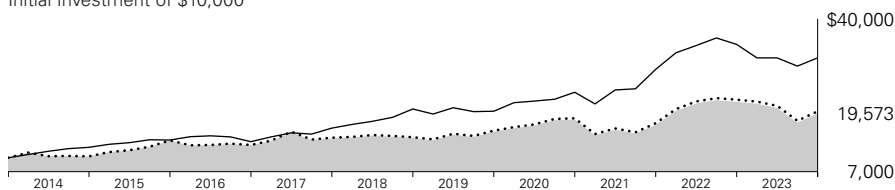
Real Estate Index Fund

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: January 31, 2013, Through January 31, 2023

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended January 31, 2023

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund Investor Shares	-11.39%	6.52%	6.95%	\$19,573
Real Estate Spliced Index	-11.15	6.77	7.19	20,031
Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	12.19	31,581

Real Estate Spliced Index: MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund ETF Shares Net Asset Value	-11.25%	6.64%	7.08%	\$19,824
Real Estate Index Fund ETF Shares Market Price	-11.24	6.64	7.08	19,821
Real Estate Spliced Index	-11.15	6.77	7.19	20,031
Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	12.19	31,581

See Financial Highlights for dividend and capital gains information.

Real Estate Index Fund

	Average Annual Total Returns Periods Ended January 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Admiral Shares	-11.26%	6.66%	7.09%	\$19,845
Real Estate Spliced Index	-11.15	6.77	7.19	20,031
Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	12.19	31,581

	One Year	Five Years	Ten Years	Final Value
				of a \$5,000,000 Investment
Real Estate Index Fund Institutional Shares	-11.27%	6.68%	7.11%	\$ 9,938,961
Real Estate Spliced Index	-11.15	6.77	7.19	10,015,355
Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	12.19	15,790,549

Cumulative Returns of ETF Shares: January 31, 2013, Through January 31, 2023

	One Year	Five Years	Ten Years
Real Estate Index Fund ETF Shares Market Price	-11.24%	37.94%	98.21%
Real Estate Index Fund ETF Shares Net Asset Value	-11.25	37.94	98.24
Real Estate Spliced Index	-11.15	38.72	100.31

For the ETF Shares, the market price is determined by the midpoint of the bid-offer spread as of the closing time of the New York Stock Exchange (generally 4 p.m., Eastern time). The net asset value is also determined as of the NYSE closing time. For more information about how the ETF Shares' market prices have compared with their net asset value, visit vanguard.com, select your ETF, click on Price, and then scroll down to the Premium/Discount chart. The ETF premium/discount chart there shows the percentage and days on which the ETF Shares' market price was above or below the NAV.

Fund Allocation

As of January 31, 2023

Diversified Real Estate Activities	0.1%
Diversified REITs	3.0
Health Care REITs	7.9
Hotel & Resort REITs	2.8
Industrial REITs	12.6
Office REITs	5.5
Real Estate Development	0.3
Real Estate Operating Companies	0.4
Real Estate Services	4.1
Residential REITs	13.6
Retail REITs	12.6
Specialized REITs	37.1

The table reflects the fund's investments, except for short-term investments and derivatives. 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.

The fund may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P"), and is licensed for use by Vanguard. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Financial Statements

Schedule of Investments

As of January 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (95.0%)					
Diversified REITs (2.6%)					
WP Carey Inc.	8,608,205	736,260	Community Healthcare Trust Inc.	1,063,187	45,589
STORE Capital Corp.	11,353,001	365,680	Universal Health Realty Income Trust	585,063	32,067
Essential Properties Realty Trust Inc.	6,299,864	160,521	Global Medical REIT Inc.	2,774,558	31,158
Broadstone Net Lease Inc.	7,722,008	139,846	Diversified Healthcare Trust	10,716,655	8,481
Global Net Lease Inc.	4,629,492	69,211			4,792,942
American Assets Trust Inc.	2,296,988	65,372	Hotel & Resort REITs (2.5%)		
Alexander & Baldwin Inc.	3,246,506	64,995	Host Hotels & Resorts Inc.	31,900,770	601,330
Empire State Realty Trust Inc. Class A	6,163,089	51,400	Ryman Hospitality Properties Inc.	2,338,106	217,187
Armada Hoffer Properties Inc.	3,019,416	38,286	Apple Hospitality REIT Inc.	9,700,839	171,996
iStar Inc.	3,807,294	35,332	Park Hotels & Resorts Inc.	10,030,773	147,553
Gladstone Commercial Corp.	1,761,403	29,926	Sunstone Hotel Investors Inc.	9,477,828	104,161
¹ NexPoint Diversified Real Estate Trust	1,405,990	18,404	Pebblebrook Hotel Trust	5,868,441	96,242
One Liberty Properties Inc.	752,349	18,139	RLJ Lodging Trust	7,265,444	91,327
		1,793,372	DiamondRock Hospitality Co.	9,416,148	90,677
Health Care REITs (6.9%)			Xenia Hotels & Resorts Inc.	5,105,117	76,066
Welltower Inc.	19,927,089	1,495,329	Service Properties Trust	7,374,649	65,708
Ventas Inc.	17,836,395	924,104	Summit Hotel Properties Inc.	4,766,517	40,611
Healthpeak Properties Inc.	24,077,458	661,648	Chatham Lodging Trust	2,070,669	29,424
Healthcare Realty Trust Inc. Class A	16,980,986	365,601			1,732,282
Medical Properties Trust Inc.	26,728,489	346,134	Industrial REITs (11.0%)		
Omega Healthcare Investors Inc.	10,446,488	307,545	Prologis Inc.	41,187,127	5,324,672
Physicians Realty Trust	10,096,143	160,125	Rexford Industrial Realty Inc.	7,633,409	484,492
Sabra Health Care REIT Inc.	10,309,979	139,185	Americold Realty Trust Inc.	12,018,685	377,507
National Health Investors Inc.	1,993,214	117,261	EastGroup Properties Inc.	1,944,393	327,144
CareTrust REIT Inc.	4,330,908	89,736	First Industrial Realty Trust Inc.	5,894,270	314,459
LTC Properties Inc.	1,808,103	68,979	STAG Industrial Inc.	7,998,344	284,741
			Terreno Realty Corp.	3,371,074	217,198
			LXP Industrial Trust	12,485,278	144,205

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Innovative Industrial Properties Inc.	1,248,492	112,090	American Homes 4 Rent Class A	12,915,399	442,869
Plymouth Industrial REIT Inc.	1,789,256	40,044	Apartment Income REIT Corp. Class A	6,879,792	263,221
Industrial Logistics Properties Trust	2,910,003	12,833	Independence Realty Trust Inc.	9,908,240	186,572
		7,639,385	Elme Communities	3,901,427	74,907
Office REITs (4.8%)			NexPoint Residential Trust Inc.	1,031,206	52,076
Alexandria Real Estate Equities Inc.	6,916,996	1,111,838	Apartment Investment & Management Co. Class A	6,781,782	50,931
Boston Properties Inc.	6,644,087	495,250	Centerspace	685,372	46,345
Kilroy Realty Corp.	4,693,244	192,611	UMH Properties Inc.	2,332,058	41,790
Cousins Properties Inc.	6,756,799	185,271	Bluerock Homes Trust Inc.	149	3
Vornado Realty Trust	7,273,008	177,389			8,246,835
Highwoods Properties Inc.	4,695,483	142,602	Retail REITs (11.0%)		
Corporate Office Properties Trust	5,014,539	140,758	Realty Income Corp.	27,558,427	1,869,288
Douglas Emmett Inc.	7,846,678	131,432	Simon Property Group Inc.	14,207,415	1,825,085
Equity Commonwealth	4,960,886	126,602	Kimco Realty Corp.	27,598,339	619,859
SL Green Realty Corp.	2,870,606	118,125	Regency Centers Corp.	6,872,112	457,889
JBG SMITH Properties	4,595,791	92,559	National Retail Properties Inc.	7,903,313	374,222
Hudson Pacific Properties Inc.	6,324,828	72,040	Federal Realty Investment Trust	3,248,876	362,347
Easterly Government Properties Inc. Class A	3,852,655	62,567	Brixmor Property Group Inc.	13,373,567	314,680
* Veris Residential Inc.	3,456,969	59,806	Spirit Realty Capital Inc.	6,084,329	266,980
Piedmont Office Realty Trust Inc. Class A	5,511,535	58,422	Agree Realty Corp.	3,562,592	265,876
Paramount Group Inc.	8,053,502	51,945	Kite Realty Group Trust	9,778,298	212,189
Brandywine Realty Trust	7,664,789	50,281	Phillips Edison & Co. Inc.	5,206,159	174,510
Office Properties Income Trust	2,160,075	37,067	Macerich Co.	9,588,248	131,743
Orion Office REIT Inc.	2,524,592	24,362	SITE Centers Corp.	8,599,633	117,385
City Office REIT Inc.	1,852,461	18,228	Tanger Factory Outlet Centers Inc.	4,659,047	89,034
Franklin Street Properties Corp.	4,133,818	12,732	Retail Opportunity Investments Corp.	5,559,816	88,012
*.2 New York REIT Liquidating LLC	1,208	14	Urban Edge Properties	5,242,911	82,576
		3,361,901	InvenTrust Properties Corp.	3,010,096	74,861
Other (12.1%)³			Acadia Realty Trust	4,238,675	65,827
^{4,5} Vanguard Real Estate II Index Fund	387,519,976	8,471,187	Getty Realty Corp.	1,773,350	64,603
Residential REITs (11.8%)			NETSTREIT Corp.	2,249,128	45,275
AvalonBay Communities Inc.	6,239,635	1,107,161	Necessity Retail REIT Inc. Class A	5,942,915	40,590
Equity Residential	15,344,227	976,660	RPT Realty	3,796,833	39,791
Invitation Homes Inc.	27,236,187	885,176	Saul Centers Inc.	639,248	27,366
Sun Communities Inc.	5,503,127	863,220	Urstadt Biddle Properties Inc. Class A	1,334,058	25,054
Mid-America Apartment Communities Inc.	5,151,214	858,810	Alexander's Inc.	102,436	24,306
Essex Property Trust Inc.	2,906,001	656,960	CBL & Associates Properties Inc.	566,768	15,104
UDR Inc.	14,498,842	617,506			
Equity LifeStyle Properties Inc.	7,888,333	566,225			
Camden Property Trust	4,515,888	556,403			

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Urstadt Biddle Properties Inc.	16,032	269	* FRP Holdings Inc.	273,865	15,383
*.2 Spirit MTA REIT	2,071,263	—	*.1 WeWork Inc.	7,893,023	12,550
		7,674,721			254,964
Specialized REITs (32.3%)			Real Estate Services (3.6%)		
American Tower Corp.	20,776,071	4,641,167	* CBRE Group Inc. Class A	14,331,530	1,225,489
Equinix Inc.	4,064,086	2,999,824	* Jones Lang LaSalle Inc.	2,138,169	395,283
Crown Castle Inc.	19,323,658	2,862,027	* Zillow Group Inc. Class C	7,062,314	312,225
Public Storage	7,049,932	2,145,576	* Zillow Group Inc. Class A	2,635,902	113,238
SBA Communications Corp. Class A	4,813,893	1,432,278	* Cushman & Wakefield plc Newmark Group Inc. Class A	7,046,602	60,389
Digital Realty Trust Inc.	12,200,029	1,398,367	1 eXp World Holdings Inc.	3,047,437	47,510
VICI Properties Inc. Class A	37,576,692	1,284,371	* Anywhere Real Estate Inc.	5,101,407	43,260
Weyerhaeuser Co.	33,035,120	1,137,399	* Compass Inc. Class A	10,606,305	42,637
Extra Space Storage Inc.	5,975,557	943,122	* Marcus & Millichap Inc.	1,160,691	42,064
Iron Mountain Inc.	12,971,309	707,974	* Opendoor Technologies Inc.	18,220,853	39,904
Gaming & Leisure Properties Inc.	11,451,516	613,343	*.1 Redfin Corp.	4,000,946	29,927
CubeSmart	10,015,763	458,622	RE/MAX Holdings Inc. Class A	836,768	19,087
Lamar Advertising Co. Class A	3,887,242	414,147	Douglas Elliman Inc.	3,260,615	15,195
Life Storage Inc.	3,765,098	406,781	* Doma Holdings Inc.	5,139,837	3,649
Rayonier Inc.	6,533,800	237,765	*.1 Offerpad Solutions Inc.	2,606,443	2,391
PotlatchDeltic Corp.	3,596,091	176,029			2,486,760
National Storage Affiliates Trust	3,891,493	158,773	Total Real Estate Management & Development (Cost \$3,883,149)		2,987,278
EPR Properties	3,346,235	142,148			
Outfront Media Inc.	6,225,151	123,881			
Four Corners Property Trust Inc.	3,635,636	104,561			
Uniti Group Inc.	10,593,083	69,808			
1 Safehold Inc.	1,100,744	38,482			
Gladstone Land Corp.	1,451,595	28,364			
		22,524,809			
Total Equity Real Estate Investment Trusts (REITs) (Cost \$61,308,066)		66,237,434			
Real Estate Management & Development (4.3%)					
Diversified Real Estate Activities (0.1%)					
St. Joe Co.	1,446,722	68,141			
RMR Group Inc. Class A	690,879	21,431			
		89,572			
Real Estate Development (0.2%)					
* Howard Hughes Corp.	1,670,153	142,781			
* Forestar Group Inc.	887,144	13,201			
		155,982			
Real Estate Operating Companies (0.4%)					
DigitalBridge Group Inc.	7,317,660	108,301			
Kennedy-Wilson Holdings Inc.	5,537,251	99,006			
*.1 Seritage Growth Properties Class A	1,623,385	19,724			

Real Estate Index Fund

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.6%)		
Money Market Fund (0.6%)		
^{6,7} Vanguard Market Liquidity Fund, 4.437% (Cost \$399,812)	3,999,300	399,890
Total Investments (99.9%) (Cost \$65,591,027)		69,624,602
Other Assets and Liabilities—Net (0.1%)		48,464
Net Assets (100%)		69,673,066

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$34,913,000.

2 Security value determined using significant unobservable inputs.

3 "Other" represents securities that are not classified by the fund's benchmark index.

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

5 Represents a wholly owned subsidiary of the fund. See accompanying financial statements for Vanguard Real Estate II Index Fund's Schedule of Investments.

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

7 Collateral of \$38,046,000 was received for securities on loan. REIT—Real Estate Investment Trust.

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
American Homes 4 Rent Class A	8/31/23	BANA	31,647	(4.477)	4,247	—
Digital Realty Trust Inc.	8/31/23	BANA	37,601	(4.477)	5,708	—
Digital Realty Trust Inc.	1/31/24	GSI	28,655	(4.607)	—	—
Equity Residential	8/31/23	BANA	35,400	(4.477)	3,042	—
Redfin Corp.	1/31/24	GSI	2,618	(4.557)	—	—
Simon Property Group Inc.	1/31/24	GSI	51,384	(4.607)	—	—
VICI Properties Inc. Class A	8/31/23	BANA	174,960	(4.877)	11,054	—
Welltower Inc.	8/31/23	BANA	49,163	(4.477)	6,946	—
					30,997	—

¹ Based on USD Overnight Bank Funding Rate as of the most recent payment date. Floating interest payment received/paid monthly.

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

At January 31, 2023, the counterparties had deposited in segregated accounts securities with a value of \$32,988,000 in connection with open over-the-counter swap contracts.

Statement of Assets and Liabilities

As of January 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$57,813,711)	60,753,525
Affiliated Issuers (Cost \$399,812)	399,890
Vanguard Real Estate II Index Fund (Cost \$7,377,504)	8,471,187
Total Investments in Securities	69,624,602
Investment in Vanguard	2,082
Receivables for Investment Securities Sold	24,622
Receivables for Accrued Income	56,541
Receivables for Capital Shares Issued	21,640
Unrealized Appreciation—Over-the-Counter Swap Contracts	30,997
Total Assets	69,760,484
Liabilities	
Due to Custodian	5,465
Payables for Investment Securities Purchased	7,203
Collateral for Securities on Loan	38,046
Payables for Capital Shares Redeemed	33,384
Payables to Vanguard	3,320
Total Liabilities	87,418
Net Assets	69,673,066

¹ Includes \$34,913,000 of securities on loan.

Statement of Assets and Liabilities (continued)

At January 31, 2023, net assets consisted of:

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Paid-in Capital	68,336,414
Total Distributable Earnings (Loss)	1,336,652
Net Assets	69,673,066

Investor Shares—Net Assets

Applicable to 4,205,462 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	127,243
Net Asset Value Per Share—Investor Shares	\$30.26

ETF Shares—Net Assets

Applicable to 404,429,314 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	36,825,433
Net Asset Value Per Share—ETF Shares	\$91.06

Admiral Shares—Net Assets

Applicable to 171,331,723 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	22,110,207
Net Asset Value Per Share—Admiral Shares	\$129.05

Institutional Shares—Net Assets

Applicable to 531,216,655 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	10,610,183
Net Asset Value Per Share—Institutional Shares	\$19.97

Statement of Operations

Year Ended
January 31, 2023

(\$'000)

Investment Income	
Income	
Dividends—Unaffiliated Issuers	1,564,425
Dividends—Affiliated Issuers	68,745
Dividends—Vanguard Real Estate II Index Fund	198,144
Interest—Affiliated Issuers	6,278
Securities Lending—Net	2,046
Total Income	1,839,638
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,611
Management and Administrative—Investor Shares	366
Management and Administrative—ETF Shares	41,166
Management and Administrative—Admiral Shares	24,207
Management and Administrative—Institutional Shares	9,674
Marketing and Distribution—Investor Shares	9
Marketing and Distribution—ETF Shares	1,585
Marketing and Distribution—Admiral Shares	890
Marketing and Distribution—Institutional Shares	333
Custodian Fees	169
Auditing Fees	37
Shareholders' Reports—Investor Shares	1
Shareholders' Reports—ETF Shares	1,654
Shareholders' Reports—Admiral Shares	427
Shareholders' Reports—Institutional Shares	181
Trustees' Fees and Expenses	25
Other Expenses	38
Total Expenses	82,373
Expenses Paid Indirectly	(95)
Net Expenses	82,278
Net Investment Income	1,757,360
Realized Net Gain (Loss)	
Capital Gain Distributions Received—Unaffiliated Issuers	329,013
Capital Gain Distributions Received—Affiliated Issuers	2
Capital Gain Distributions Received—Vanguard Real Estate II Index Fund	90,589
Investment Securities Sold—Unaffiliated Issuers ¹	2,537,306
Investment Securities Sold—Affiliated Issuers ²	41,663
Investment Securities Sold—Vanguard Real Estate II Index Fund	—

Real Estate Index Fund

Statement of Operations (continued)

	Year Ended January 31, 2023
	(\$000)
Swap Contracts	(50,078)
Realized Net Gain (Loss)	2,948,495
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers	(13,306,186)
Investment Securities—Affiliated Issuers	128,233
Investment Securities—Vanguard Real Estate II Index Fund	(1,360,121)
Swap Contracts	30,997
Change in Unrealized Appreciation (Depreciation)	(14,507,077)
Net Increase (Decrease) in Net Assets Resulting from Operations	(9,801,222)

1 Includes \$3,058,163,000 of net gain (loss) resulting from in-kind redemptions.

2 Includes \$69,236,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2023	2022
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,757,360	1,487,532
Realized Net Gain (Loss)	2,948,495	2,507,302
Change in Unrealized Appreciation (Depreciation)	(14,507,077)	14,077,791
Net Increase (Decrease) in Net Assets Resulting from Operations	(9,801,222)	18,072,625
Distributions		
Net Investment Income and/or Realized Capital Gains		
Investor Shares	(3,184)	(3,637)
ETF Shares	(893,338)	(811,715)
Admiral Shares	(518,210)	(463,925)
Institutional Shares	(253,055)	(220,900)
Return of Capital		
Investor Shares	(1,590)	(1,874)
ETF Shares	(446,081)	(418,428)
Admiral Shares	(258,764)	(239,147)
Institutional Shares	(126,361)	(113,871)
Total Distributions	(2,500,583)	(2,273,497)
Capital Share Transactions		
Investor Shares	(41,427)	(35,113)
ETF Shares	(3,046,898)	6,252,486
Admiral Shares	34,532	1,052,588
Institutional Shares	306,763	221,639
Net Increase (Decrease) from Capital Share Transactions	(2,747,030)	7,491,600
Total Increase (Decrease)	(15,048,835)	23,290,728
Net Assets		
Beginning of Period	84,721,901	61,431,173
End of Period	69,673,066	84,721,901

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$35.37	\$28.23	\$31.21	\$27.69	\$26.40
Investment Operations					
Net Investment Income ¹	.684	.602	.586	.719	.787
Net Realized and Unrealized Gain (Loss) on Investments	(4.766)	7.475	(2.498)	3.801	1.639
Total from Investment Operations	(4.082)	8.077	(1.912)	4.520	2.426
Distributions					
Dividends from Net Investment Income	(.686)	(.620)	(.624)	(.752)	(.851)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(.342)	(.317)	(.444)	(.248)	(.285)
Total Distributions	(1.028)	(.937)	(1.068)	(1.000)	(1.136)
Net Asset Value, End of Period	\$30.26	\$35.37	\$28.23	\$31.21	\$27.69
Total Return²	-11.39%	28.73%	-5.88%	16.59%	9.53%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$127	\$196	\$188	\$243	\$1,871
Ratio of Total Expenses to Average Net Assets	0.26% ³	0.26%	0.26%	0.26%	0.25%
Ratio of Net Investment Income to Average Net Assets	2.18%	1.77%	2.18%	2.48%	3.02%
Portfolio Turnover Rate ⁴	7%	7%	8%	6%	24%

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 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.25%.

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$106.44	\$84.96	\$93.93	\$83.36	\$79.47
Investment Operations					
Net Investment Income ¹	2.240	1.960	1.889	2.335	2.487
Net Realized and Unrealized Gain (Loss) on Investments	(14.394)	22.486	(7.525)	11.379	4.934
Total from Investment Operations	(12.154)	24.446	(5.636)	13.714	7.421
Distributions					
Dividends from Net Investment Income	(2.152)	(1.943)	(1.947)	(2.364)	(2.646)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(1.074)	(1.023)	(1.387)	(.780)	(.885)
Total Distributions	(3.226)	(2.966)	(3.334)	(3.144)	(3.531)
Net Asset Value, End of Period	\$91.06	\$106.44	\$84.96	\$93.93	\$83.36
Total Return	-11.25%	28.88%	-5.80%	16.70%	9.70%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$36,825	\$46,673	\$32,064	\$37,682	\$30,857
Ratio of Total Expenses to Average Net Assets	0.12% ²	0.12%	0.12%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	2.38%	1.90%	2.33%	2.60%	3.15%
Portfolio Turnover Rate ³	7%	7%	8%	6%	24%

1 Calculated based on average shares outstanding.

2 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.12%.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$150.85	\$120.40	\$133.12	\$118.14	\$112.63
Investment Operations					
Net Investment Income ¹	3.201	2.761	2.677	3.315	3.507
Net Realized and Unrealized Gain (Loss) on Investments	(20.428)	31.890	(10.672)	16.121	7.008
Total from Investment Operations	(17.227)	34.651	(7.995)	19.436	10.515
Distributions					
Dividends from Net Investment Income	(3.050)	(2.770)	(2.759)	(3.350)	(3.751)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(1.523)	(1.431)	(1.966)	(1.106)	(1.254)
Total Distributions	(4.573)	(4.201)	(4.725)	(4.456)	(5.005)
Net Asset Value, End of Period	\$129.05	\$150.85	\$120.40	\$133.12	\$118.14
Total Return²	-11.26%	28.91%	-5.74%	16.73%	9.69%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$22,110	\$25,764	\$19,702	\$23,274	\$18,223
Ratio of Total Expenses to Average Net Assets	0.12% ³	0.12%	0.12%	0.12%	0.11%
Ratio of Net Investment Income to Average Net Assets	2.41%	1.90%	2.33%	2.60%	3.16%
Portfolio Turnover Rate ⁴	7%	7%	8%	6%	24%

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 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.12%.

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$23.35	\$18.64	\$20.60	\$18.28	\$17.43
Investment Operations					
Net Investment Income ¹	.500	.432	.421	.518	.543
Net Realized and Unrealized Gain (Loss) on Investments	(3.168)	4.933	(1.646)	2.496	1.085
Total from Investment Operations	(2.668)	5.365	(1.225)	3.014	1.628
Distributions					
Dividends from Net Investment Income	(.475)	(.432)	(.429)	(.522)	(.583)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(.237)	(.223)	(.306)	(.172)	(.195)
Total Distributions	(.712)	(.655)	(.735)	(.694)	(.778)
Net Asset Value, End of Period	\$19.97	\$23.35	\$18.64	\$20.60	\$18.28
Total Return	-11.27%	28.91%	-5.68%	16.77%	9.70%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$10,610	\$12,089	\$9,478	\$10,027	\$8,206
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.09%
Ratio of Net Investment Income to Average Net Assets	2.43%	1.92%	2.37%	2.63%	3.18%
Portfolio Turnover Rate ³	7%	7%	8%	6%	24%

1 Calculated based on average shares outstanding.

2 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.10%.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Notes to Financial Statements

Vanguard Real Estate Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers four classes of shares: Investor Shares, ETF Shares, Admiral Shares, and Institutional Shares. Each of the share classes has different eligibility and minimum purchase requirements, and is designed for different types of investors. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker.

As a part of its principal investment strategy, the fund attempts to replicate its benchmark index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary—in the stocks that make up the index. Vanguard Real Estate II Index Fund is the wholly owned subsidiary in which the fund has invested a portion of its assets. For additional financial information about the Real Estate II Index Fund, refer to the accompanying financial statements.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

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 by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in affiliated Vanguard funds are valued at that fund's net asset value.

2. **Swap Contracts:** The fund has entered into equity swap contracts to earn the total return on selected reference stocks in the fund's target index. Under the terms of the swaps, the fund receives the total return on the referenced stock (i.e., receiving the increase or paying the decrease in value of the selected reference stock and receiving the equivalent of any dividends in respect of the selected referenced stock) over a specified period of time, applied to a notional amount that represents the value of a designated number of shares of the selected reference stock at the beginning of the equity swap contract. The fund also pays a floating rate that is based on short-term interest rates, applied to the notional amount. At the same time, the fund generally invests an amount approximating the notional amount of the swap in high-quality temporary cash investments.

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the fund. The fund's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The fund mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their

performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the fund may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

The notional amounts of swap contracts are not recorded in the Statement of Assets and Liabilities. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until periodic payments are made or the termination of the swap, at which time realized gain (loss) is recorded.

During the year ended January 31, 2023, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. The portion of distributions that exceed a fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Securities Lending: To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings.

While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. 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.

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.4 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended January 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Distributions received from investment securities are recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Each investment security reports annually the tax character of its distributions. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain, and return of capital reported by the REITs, and management's estimates of such amounts for REIT distributions for which actual information has not been reported. Income, capital gain, and return of capital distributions received from affiliated Vanguard funds are recorded on ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. 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) and shareholder reporting. 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. 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 and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2023, the fund had contributed to Vanguard capital in the amount of \$2,082,000, representing less than 0.01% of the fund's net assets and 0.83% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended January 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$95,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of January 31, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	69,224,698	—	14	69,224,712
Temporary Cash Investments	399,890	—	—	399,890
Total	69,624,588	—	14	69,624,602
Derivative Financial Instruments				
Assets				
Swap Contracts	—	30,997	—	30,997

E. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for applicable in-kind redemptions and swap agreements were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	3,137,196
Total Distributable Earnings (Loss)	(3,137,196)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales; the deferral of income from real estate investment trusts; and the recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	—
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	3,729,779
Capital Loss Carryforwards	(2,572,771)
Qualified Late-Year Losses	—
Other Temporary Differences	179,644
Total	1,336,652

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	1,667,787	1,500,177
Long-Term Capital Gains	—	—
Return of Capital	832,796	773,321
Total	2,500,583	2,273,498

* Includes short-term capital gains, if any.

As of January 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	65,894,823
Gross Unrealized Appreciation	11,273,876
Gross Unrealized Depreciation	(7,544,097)
Net Unrealized Appreciation (Depreciation)	3,729,779

F. During the year ended January 31, 2023, the fund purchased \$11,858,060,000 of investment securities and sold \$14,892,200,000 of investment securities, other than temporary cash investments. Purchases and sales include \$6,055,352,000 and \$9,385,117,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended January 31, 2023, such purchases were \$15,414,000 and sales were \$4,383,000, resulting in net realized loss of \$361,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended January 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	12,156	378	40,853	1,192
Issued in Lieu of Cash Distributions	4,774	163	5,511	161
Redeemed	(58,357)	(1,875)	(81,477)	(2,463)
Net Increase (Decrease)—Investor Shares	(41,427)	(1,334)	(35,113)	(1,110)
ETF Shares				
Issued	6,166,911	65,225	12,323,320	119,786
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(9,213,809)	(99,300)	(6,070,834)	(58,700)
Net Increase (Decrease)—ETF Shares	(3,046,898)	(34,075)	6,252,486	61,086
Admiral Shares				
Issued	2,666,411	20,054	4,265,102	29,377
Issued in Lieu of Cash Distributions	682,639	5,494	616,726	4,188
Redeemed	(3,314,518)	(25,007)	(3,829,240)	(26,405)
Net Increase (Decrease)—Admiral Shares	34,532	541	1,052,588	7,160

	Year Ended January 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Institutional Shares				
Issued	2,009,244	97,409	2,230,405	98,845
Issued in Lieu of Cash Distributions	357,630	18,606	311,998	13,695
Redeemed	(2,060,111)	(102,593)	(2,320,764)	(103,325)
Net Increase (Decrease)—Institutional Shares	306,763	13,422	221,639	9,215

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

	Current Period Transactions							Jan. 31, 2023 Market Value (\$000)
	Jan. 31, 2022 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold ¹ (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Easterly Government Properties Inc.	90,343	13,288	22,120	(553)	(16,183)	1,997	—	NA ²
Equity Commonwealth	NA ³	20,421	43,382	(2,063)	64	5,071	—	NA ²
Hudson Pacific Properties Inc.	NA ³	16,823	30,465	(18,155)	(68,244)	6,832	—	NA ²
Vanguard Market Liquidity Fund	147,613	NA ⁴	NA ⁴	15	55	6,278	2	399,890
Vanguard Real Estate II Index Fund	9,542,041	337,315	—	—	(1,360,121)	198,144	90,589	8,471,187
VICI Properties Inc.	NA ^{3,5}	594,465	424,164	62,419	212,541	54,845	—	NA ²
Total	9,779,997	982,312	520,131	41,663	(1,231,888)	273,167	90,591	8,871,077

1 Does not include adjustments related to return of capital.

2 Not applicable—at January 31, 2023, the security was still held, but the issuer was no longer an affiliated company of the fund.

3 Not applicable—at January 31, 2022, the issuer was not an affiliated company of the fund.

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

5 Not applicable—in April 2022, VICI Properties Inc. acquired MGM Growth Properties LLC.

I. Management has determined that no events or transactions occurred subsequent to January 31, 2023, that would require recognition or disclosure in these financial statements.

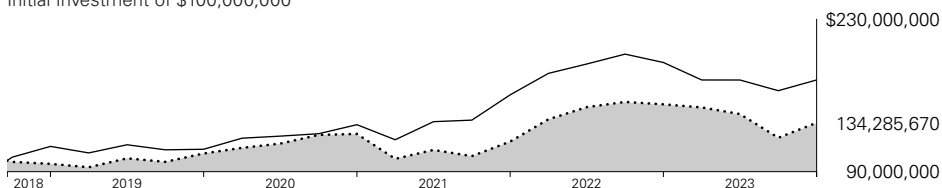
Real Estate II Index Fund

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: September 26, 2017, Through January 31, 2023

Initial Investment of \$100,000,000



Average Annual Total Returns Periods Ended January 31, 2023

	One Year	Five Years	Since Inception (9/26/2017)	Final Value of a \$100,000,000 Investment
Real Estate II Index Fund	-11.23%	6.70%	5.67%	\$134,285,670
Real Estate Spliced Index	-11.15	6.77	5.74	134,763,810
Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	10.92	174,033,800

Real Estate Spliced Index: MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

"Since Inception" performance is calculated from the fund's inception date for both the fund and its comparative standard(s).

Fund Allocation

As of January 31, 2023

Diversified Real Estate Activities	0.2%
Diversified REITs	2.9
Health Care REITs	7.9
Hotel & Resort REITs	2.8
Industrial REITs	12.4
Office REITs	5.5
Real Estate Development	0.3
Real Estate Operating Companies	0.4
Real Estate Services	4.1
Residential REITs	13.6
Retail REITs	12.6
Specialized REITs	37.3

The table reflects the fund's investments, except for short-term investments and derivatives. 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.

The fund may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P"), and is licensed for use by Vanguard. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Financial Statements

Schedule of Investments

As of January 31, 2023

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (94.9%)					
Diversified REITs (2.9%)			Hotel & Resort REITs (2.8%)		
WP Carey Inc.	1,222,290	104,542	Universal Health Realty Income Trust	83,070	4,553
STORE Capital Corp.	1,612,144	51,927	Global Medical REIT Inc.	394,880	4,435
Essential Properties Realty Trust Inc.	895,719	22,823	Diversified Healthcare Trust	1,510,063	1,195
Broadstone Net Lease Inc.	1,097,179	19,870			688,599
Global Net Lease Inc.	659,032	9,853	Hotel & Resort REITs (2.8%)		
American Assets Trust Inc.	326,198	9,284	Host Hotels & Resorts Inc.	4,529,546	85,382
Alexander & Baldwin Inc.	461,014	9,229	Ryman Hospitality Properties Inc.	332,092	30,848
Empire State Realty Trust Inc. Class A	876,755	7,312	Apple Hospitality REIT Inc.	1,377,563	24,424
Armada Hoffer Properties Inc.	428,464	5,433	Park Hotels & Resorts Inc.	1,026,200	15,095
iStar Inc.	541,478	5,025	Sunstone Hotel Investors Inc.	1,344,618	14,777
Gladstone Commercial Corp.	250,489	4,256	Pebblebrook Hotel Trust	832,720	13,657
NexPoint Diversified Real Estate Trust	200,024	2,618	RLJ Lodging Trust	1,030,971	12,959
One Liberty Properties Inc.	106,880	2,577	DiamondRock Hospitality Co.	1,336,171	12,867
		254,749	Xenia Hotels & Resorts Inc.	724,666	10,798
Health Care REITs (7.9%)			Service Properties Trust	1,045,623	9,317
Welltower Inc.	2,936,055	220,322	Summit Hotel Properties Inc.	676,855	5,767
Ventas Inc.	2,532,696	131,219	Chatham Lodging Trust	294,311	4,182
Healthpeak Properties Inc.	3,419,232	93,960			240,073
Healthcare Realty Trust Inc. Class A	2,411,439	51,918	Industrial REITs (12.4%)		
¹ Medical Properties Trust Inc.	3,795,895	49,157	Prologis Inc.	5,848,437	756,086
Omega Healthcare Investors Inc.	1,483,327	43,669	Rexford Industrial Realty Inc.	1,083,911	68,796
Physicians Realty Trust	1,435,547	22,768	EastGroup Properties Inc.	276,035	46,443
Sabra Health Care REIT Inc.	1,463,753	19,761	Americold Realty Trust Inc.	1,457,078	45,767
National Health Investors Inc.	282,818	16,638	First Industrial Realty Trust Inc.	836,745	44,640
CareTrust REIT Inc.	614,701	12,737	STAG Industrial Inc.	1,135,488	40,423
LTC Properties Inc.	256,575	9,788	Terreno Realty Corp.	478,790	30,848
Community Healthcare Trust Inc.	151,103	6,479	LXP Industrial Trust	1,773,744	20,487
			Innovative Industrial Properties Inc.	177,341	15,922
			Plymouth Industrial REIT Inc.	253,867	5,682
			Industrial Logistics Properties Trust	416,776	1,838
					1,076,932

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Office REITs (5.5%)			Centerspace	97,523	6,594
Alexandria Real Estate Equities Inc.	982,123	157,866	UMH Properties Inc.	331,073	5,933
Boston Properties Inc.	943,551	70,332			1,181,569
Kilroy Realty Corp.	666,203	27,341	Retail REITs (12.6%)		
Cousins Properties Inc.	959,195	26,301	Simon Property Group Inc.	2,074,197	266,451
Vornado Realty Trust	1,032,690	25,187	Realty Income Corp.	3,913,115	265,427
Highwoods Properties Inc.	666,545	20,243	Kimco Realty Corp.	3,919,129	88,024
Corporate Office Properties Trust	712,501	20,000	Regency Centers Corp.	975,762	65,015
Douglas Emmett Inc.	1,114,112	18,661	National Retail Properties Inc.	1,122,346	53,143
Equity Commonwealth	705,107	17,994	Federal Realty Investment Trust	461,506	51,472
1 SL Green Realty Corp.	407,189	16,756	Brixmor Property Group Inc.	1,898,578	44,674
JBG SMITH Properties	653,519	13,162	Spirit Realty Capital Inc.	863,856	37,906
Hudson Pacific Properties Inc.	897,852	10,227	Agree Realty Corp.	505,859	37,752
Easterly Government Properties Inc. Class A	546,152	8,870	Kite Realty Group Trust	1,388,585	30,132
* Veris Residential Inc.	490,802	8,491	Phillips Edison & Co. Inc.	739,322	24,782
Piedmont Office Realty Trust Inc. Class A	781,797	8,287	Macerich Co.	1,361,425	18,706
Paramount Group Inc.	1,143,174	7,374	SITE Centers Corp.	1,221,116	16,668
Brandywine Realty Trust	1,084,906	7,117	Tanger Factory Outlet Centers Inc.	661,005	12,632
Office Properties Income Trust	306,675	5,263	Retail Opportunity Investments Corp.	789,232	12,494
Orion Office REIT Inc.	357,915	3,454	Urban Edge Properties	744,040	11,719
City Office REIT Inc.	263,546	2,593	InvenTrust Properties Corp.	426,949	10,618
Franklin Street Properties Corp.	590,918	1,820	Acadia Realty Trust	601,824	9,346
		477,339	Getty Realty Corp.	251,894	9,176
			NETSTREIT Corp.	318,416	6,410
			Necessity Retail REIT Inc. Class A	843,319	5,760
Residential REITs (13.6%)			RPT Realty	538,528	5,644
AvalonBay Communities Inc.	885,998	157,211	Saul Centers Inc.	90,858	3,890
Equity Residential	2,264,001	144,104	Urstadt Biddle Properties Inc. Class A	191,345	3,593
Invitation Homes Inc.	3,867,562	125,696	Alexander's Inc.	14,595	3,463
Sun Communities Inc.	781,453	122,579	CBL & Associates Properties Inc.	80,280	2,139
Mid-America Apartment Communities Inc.	731,459	121,949	*.2 Spirit MTA REIT	257,871	—
Essex Property Trust Inc.	412,599	93,276			1,097,036
UDR Inc.	2,058,674	87,679	Specialized REITs (37.2%)		
Equity LifeStyle Properties Inc.	1,120,051	80,397	American Tower Corp.	2,950,127	659,029
Camden Property Trust	641,214	79,004	Equinix Inc.	577,084	425,963
American Homes 4 Rent Class A	1,982,924	67,994	Crown Castle Inc.	2,743,886	406,397
Apartment Income REIT Corp. Class A	976,919	37,377	Public Storage	1,001,058	304,662
Independence Realty Trust Inc.	1,408,056	26,514	Digital Realty Trust Inc.	1,821,104	208,735
Elme Communities	553,414	10,626	VICI Properties Inc. Class A	6,102,367	208,579
NexPoint Residential Trust Inc.	146,387	7,392	SBA Communications Corp. Class A	683,548	203,376
Apartment Investment & Management Co. Class A	964,549	7,244	Weyerhaeuser Co.	4,690,809	161,505
			Extra Space Storage Inc.	848,508	133,920
			Iron Mountain Inc.	1,841,970	100,535
			Gaming & Leisure Properties Inc.	1,626,169	87,098
			CubeSmart	1,422,150	65,120

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)	
Lamar Advertising Co. Class A	552,007	58,811	*	Cushman & Wakefield plc	929,688	13,415
Life Storage Inc.	534,715	57,771		Newmark Group Inc. Class A	998,822	8,560
Rayonier Inc.	927,884	33,766	¹	eXp World Holdings Inc.	432,629	6,745
PotlatchDeltic Corp.	510,642	24,996	*	Anywhere Real Estate Inc.	724,552	6,144
National Storage Affiliates Trust	552,342	22,535	*	Compass Inc. Class A	1,506,201	6,055
¹ EPR Properties	475,386	20,194	^{*.1}	Marcus & Millichap Inc.	164,344	5,956
Outfront Media Inc.	882,979	17,571		Opendoor Technologies Inc.	2,593,429	5,680
Four Corners Property Trust Inc.	516,003	14,840	^{*.1}	Redfin Corp.	617,367	4,618
Uniti Group Inc.	1,504,029	9,911		RE/MAX Holdings Inc. Class A	119,118	2,717
¹ Safehold Inc.	156,502	5,471		Douglas Elliman Inc.	461,492	2,150
Gladstone Land Corp.	206,103	4,027	^{*.1}	Doma Holdings Inc.	719,697	511
		3,234,812	^{*.1}	Offerpad Solutions Inc.	357,193	328
Total Equity Real Estate Investment Trusts (REITs) (Cost \$7,046,202)		8,251,109				353,489
Real Estate Management & Development (4.9%)				Total Real Estate Management & Development (Cost \$508,696)		424,542
Diversified Real Estate Activities (0.1%)				Temporary Cash Investments (0.7%)		
St. Joe Co.	205,390	9,674		Money Market Fund (0.7%)		
RMR Group Inc. Class A	98,011	3,040		^{3,4} Vanguard Market Liquidity Fund, 4.437% (Cost \$58,760)	587,679	58,762
		12,714		Total Investments (100.5%) (Cost \$7,613,658)		8,734,413
Real Estate Development (0.3%)				Other Assets and Liabilities—Net (-0.5%)		(44,578)
* Howard Hughes Corp.	237,215	20,280		Net Assets (100%)		8,689,835
* Forestar Group Inc.	125,880	1,873				
		22,153				
Real Estate Operating Companies (0.4%)						
DigitalBridge Group Inc.	1,038,243	15,366				
Kennedy-Wilson Holdings Inc.	785,464	14,044				
^{*.1} Seritage Growth Properties Class A	230,514	2,801				
* FRP Holdings Inc.	38,782	2,178				
^{*.1} WeWork Inc.	1,130,344	1,797				
		36,186				
Real Estate Services (4.1%)						
* CBRE Group Inc. Class A	2,035,540	174,059				
* Jones Lang LaSalle Inc.	303,629	56,132				
* Zillow Group Inc. Class C	1,005,072	44,434				
* Zillow Group Inc. Class A	372,098	15,985				

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

¹ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$48,513,000.

² Security value determined using significant unobservable inputs.

³ Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

⁴ Collateral of \$51,019,000 was received for securities on loan. REIT—Real Estate Investment Trust.

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Americold Realty Trust Inc.	1/31/24	GSI	7,853	(4.557)	—	—
Park Hotels & Resorts Inc.	1/31/24	GSI	5,884	(4.557)	—	—
					—	—

¹ Based on USD Overnight Bank Funding Rate as of the most recent payment date. Floating interest payment received/paid monthly.
GSI—Goldman Sachs International.

At January 31, 2023, the counterparties had deposited in segregated accounts securities with a value of \$992,000 in connection with open over-the-counter swap contracts.

Statement of Assets and Liabilities

As of January 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$7,554,898)	8,675,651
Affiliated Issuers (Cost \$58,760)	58,762
Total Investments in Securities	8,734,413
Investment in Vanguard	296
Cash	6,315
Receivables for Accrued Income	7,898
Total Assets	8,748,922

Liabilities	
Payables for Investment Securities Purchased	7,344
Collateral for Securities on Loan	51,019
Payables for Capital Shares Redeemed	428
Payables to Vanguard	296
Total Liabilities	59,087
Net Assets	8,689,835

¹ Includes \$48,513,000 of securities on loan.

At January 31, 2023, net assets consisted of:

Paid-in Capital	7,582,685
Total Distributable Earnings (Loss)	1,107,150
Net Assets	8,689,835

Net Assets	
Applicable to 397,480,558 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,689,835
Net Asset Value Per Share	\$21.86

Statement of Operations

Year Ended
January 31, 2023

(\$'000)

Investment Income	
Income	
Dividends	218,246
Interest ¹	92
Securities Lending—Net	235
Total Income	218,573
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	704
Management and Administrative	5,890
Marketing and Distribution	127
Custodian Fees	79
Auditing Fees	37
Shareholders' Reports	—
Trustees' Fees and Expenses	2
Other Expenses	18
Total Expenses	6,857
Expenses Paid Indirectly	(9)
Net Expenses	6,848
Net Investment Income	211,725
Realized Net Gain (Loss)	
Capital Gain Distributions Received	48,674
Investment Securities Sold ¹	22,717
Swap Contracts	(1,111)
Realized Net Gain (Loss)	70,280
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	(1,336,365)
Swap Contracts	—
Change in Unrealized Appreciation (Depreciation)	(1,336,365)
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,054,360)

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$92,000, (\$3,000), and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	211,725	176,897
Realized Net Gain (Loss)	70,280	53,384
Change in Unrealized Appreciation (Depreciation)	(1,336,365)	1,912,230
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,054,360)	2,142,511
Distributions		
Net Investment Income and/or Realized Capital Gains	(291,773)	(186,333)
Return of Capital	(48,996)	(76,790)
Total Distributions	(340,769)	(263,123)
Capital Share Transactions		
Issued	203,267	—
Issued in Lieu of Cash Distributions	340,769	263,123
Redeemed	(1,113)	—
Net Increase (Decrease) from Capital Share Transactions	542,923	263,123
Total Increase (Decrease)	(852,206)	2,142,511
Net Assets		
Beginning of Period	9,542,041	7,399,530
End of Period	8,689,835	9,542,041

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

Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$25.69	\$20.50	\$22.64	\$20.10	\$19.17
Investment Operations					
Net Investment Income ¹	.558	.484	.471	.571	.611
Net Realized and Unrealized Gain (Loss) on Investments	(3.493)	5.427	(1.808)	2.752	1.176
Total from Investment Operations	(2.935)	5.911	(1.337)	3.323	1.787
Distributions					
Dividends from Net Investment Income	(.528)	(.477)	(.465)	(.590)	(.626)
Distributions from Realized Capital Gains	(.238)	(.034)	—	—	—
Return of Capital	(.129)	(.210)	(.338)	(.193)	(.231)
Total Distributions	(.895)	(.721)	(.803)	(.783)	(.857)
Net Asset Value, End of Period	\$21.86	\$25.69	\$20.50	\$22.64	\$20.10
Total Return	-11.23%	28.96%	-5.70%	16.78%	9.68%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$8,690	\$9,542	\$7,400	\$7,848	\$6,719
Ratio of Total Expenses to Average Net Assets	0.08% ²	0.08%	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	2.47%	1.95%	2.41%	2.63%	3.22%
Portfolio Turnover Rate	5% ³	6%	4%	3%	23%

1 Calculated based on average shares outstanding.

2 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.08%.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares.

Notes to Financial Statements

Vanguard Real Estate II Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund is a wholly owned subsidiary of Vanguard Real Estate Index Fund ("Real Estate Index Fund"), and at January 31, 2023, the Real Estate Index Fund was the record and beneficial owner of 97.5% of the fund's net assets. As part of the Real Estate Index Fund's principal investment strategy, it attempts to replicate the benchmark index by investing all, or substantially all, of its assets—either directly or indirectly through the fund—in the stocks that make up the index.

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

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 by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

2. **Swap Contracts:** The fund has entered into equity swap contracts to earn the total return on selected reference stocks in the fund's target index. Under the terms of the swaps, the fund receives the total return on the referenced stock (i.e., receiving the increase or paying the decrease in value of the selected reference stock and receiving the equivalent of any dividends in respect of the selected referenced stock) over a specified period of time, applied to a notional amount that represents the value of a designated number of shares of the selected reference stock at the beginning of the equity swap contract. The fund also pays a floating rate that is based on short-term interest rates, applied to the notional amount. At the same time, the fund generally invests an amount approximating the notional amount of the swap in high-quality temporary cash investments.

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the fund. The fund's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The fund mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the fund may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting

arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

The notional amounts of swap contracts are not recorded in the Statement of Assets and Liabilities. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until periodic payments are made or the termination of the swap, at which time realized gain (loss) is recorded.

During the year ended January 31, 2023, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. The portion of distributions that exceed a fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

5. Securities Lending: To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. 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.

6. **Credit Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.4 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended January 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

7. **Other:** Distributions received from investment securities are recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Each investment security reports annually the tax character of its distributions. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain, and return of capital reported by the REITs, and management's estimates of such amounts for REIT distributions for which actual information has not been reported. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. 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.

B. 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 and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2023, the fund had contributed to Vanguard capital in the amount of \$296,000, representing less than 0.01% of the fund's net assets and 0.12% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended January 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$9,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. 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 and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of January 31, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	8,675,651	—	—	8,675,651
Temporary Cash Investments	58,762	—	—	58,762
Total	8,734,413	—	—	8,734,413
Derivative Financial Instruments				
Assets				
Swap Contracts	—	—	—	—

E. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for applicable swap agreements and designation of dividends paid were reclassified between the individual components of total distributable earnings (loss).

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales; and the deferral of

income from real estate investment trusts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	—
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	1,081,493
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Other Temporary Differences	25,657
Total	1,107,150

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	198,902	180,753
Long-Term Capital Gains	92,871	5,580
Return of Capital	48,996	76,790
Total	340,769	263,123

* Includes short-term capital gains, if any.

As of January 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	7,652,920
Gross Unrealized Appreciation	2,006,428
Gross Unrealized Depreciation	(924,935)
Net Unrealized Appreciation (Depreciation)	1,081,493

F. During the year ended January 31, 2023, the fund purchased \$943,813,000 of investment securities and sold \$441,979,000 of investment securities, other than temporary cash investments. Purchases and sales include \$191,875,000 and \$0, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended January 31, 2023, such purchases were \$1,939,000 and sales were \$467,000, resulting in net realized loss of \$77,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

G. Capital shares issued and redeemed were:

	Year Ended January 31,	
	2023 Shares (000)	2022 Shares (000)
Issued	9,838	—
Issued in Lieu of Cash Distributions	16,244	10,506
Redeemed	(52)	—
Net Increase (Decrease) in Shares Outstanding	26,030	10,506

H. Management has determined that no events or transactions occurred subsequent to January 31, 2023, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Specialized Funds and Vanguard Fixed Income Securities Funds and Shareholders of Vanguard Real Estate Index Fund and Vanguard Real Estate II Index Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Vanguard Real Estate Index Fund (one of the funds constituting Vanguard Specialized Funds) and Vanguard Real Estate II Index Fund (one of the funds constituting Vanguard Fixed Income Securities Funds) (hereafter collectively referred to as the "Funds") as of January 31, 2023, the related statements of operations for the year ended January 31, 2023, the statements of changes in net assets for each of the two years in the period ended January 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended January 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of January 31, 2023, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended January 31, 2023 and each of the financial highlights for each of the five years in the period ended January 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of January 31, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 23, 2023

We have served as the auditor of one or more investment companies in The Vanguard Group of Funds since 1975.

Tax information (unaudited) for Vanguard Real Estate Index Fund

The fund hereby designates \$33,231,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

The fund hereby designates \$1,776,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

The fund hereby designates \$1,634,556,000, or if subsequently determined to be different, the maximum amount allowable by law, of qualified business income for individual shareholders for the fiscal year.

Tax information (unaudited) for Vanguard Real Estate II Index Fund

The fund hereby designates \$3,899,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

The fund hereby designates \$27,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

The fund distributed \$92,871,000 as capital gain dividends (from net long-term capital gains) to shareholders during the fiscal year. The fund designates \$83,134,000 of its capital gain dividends as 20% rate gain distributions and \$9,737,000 as unrecaptured section 1250 gain distributions (25% rate gain).

The fund hereby designates \$195,003,000, or if subsequently determined to be different, the maximum amount allowable by law, of qualified business income for individual shareholders for the fiscal year.

THESE FUNDS ARE NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS DIRECT OR INDIRECT INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY VANGUARD. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE OWNERS OF THESE FUNDS OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THESE FUNDS PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THESE FUNDS OR THE ISSUER OR OWNER OF THESE FUNDS. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUERS OR OWNERS OF THESE FUNDS INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THESE FUNDS TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE CONSIDERATION INTO WHICH THESE FUNDS ARE REDEEMABLE. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE OWNERS OF THESE FUNDS IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THESE FUNDS.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES WHICH MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, LICENSEE'S CUSTOMERS OR COUNTERPARTIES, ISSUERS OF THE FUNDS, OWNERS OF THE FUNDS, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE RIGHTS LICENSED HEREUNDER OR FOR ANY OTHER USE. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

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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.

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 206 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. 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

Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (2019–present) of Vanguard and of each of the investment companies served by Vanguard; chief executive officer (2018–present) of Vanguard; chief executive officer, president, and trustee (2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Member of the board of governors of the Investment Company Institute and the board of governors of FINRA. Trustee and vice chair of The Shipley School.

Independent Trustees

Tara Bunch

Born in 1962. Trustee since November 2021. Principal occupation(s) during the past five years and other experience: head of global operations at Airbnb (2020–present). Vice president of AppleCare (2012–2020). Member of the board of directors of Out & Equal, the advisory board of the University of California, Berkeley School of Engineering, and the advisory board of Santa Clara University's Leavey School of Business.

Emerson U. Fullwood

Born in 1948. Trustee since January 2008. Principal occupation(s) during the past five years and other experience: executive chief staff and marketing officer for North America and corporate vice president (retired 2008) of Xerox Corporation (document management products and services). Former president of the Worldwide Channels Group, Latin America, and Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology. Member of the board of directors of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, Roberts Wesleyan College, and the Rochester Philharmonic Orchestra. Trustee of the University of Rochester.

F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (global industrial company). Director of the V Foundation. Member of the advisory council for the College of Arts and Letters at the University of Notre Dame. Chairman of the board of Saint Anselm College.

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

Mark Loughridge

Born in 1953. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: senior vice president and chief financial officer (retired 2013) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

Scott C. Malpass

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Chair of the board of Catholic Investment Services, Inc. (investment advisors). Member of the board of superintendence of the Institute for the Works of Religion, the Notre Dame 403(b) Investment Committee, and the board of directors of Paxos Trust Company (finance).

Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer of Purposeful (advisory firm for CEOs and C-level executives; 2021–present). Board chair (2020), chief executive officer (2011–2020), and president (2010–2019) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of Individual Life and Disability of the Guardian Life Insurance Company of America. Director of DuPont. Member of the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, and the NewYork-Presbyterian Hospital.

André F. Perold

Born in 1952. Trustee since December 2004. Principal occupation(s) during the past five years and other experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011). Chief investment officer and partner of HighVista Strategies (private investment firm). Member of the board of RIT Capital Partners (investment firm).

Sarah Bloom Raskin

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Colin W. Brown Distinguished Professor of the Practice of Law, Duke Law School (2021–present); Rubenstein Fellow, Duke University (2017–2020); Distinguished Fellow of the Global Financial Markets Center, Duke Law School (2020–2022); and Senior Fellow, Duke Center on Risk (2020–present). Partner of Kaya Corporation Ltd. (climate policy advisory services). Member of the board of directors of Arcadia Corporation (energy solution technology).

David Thomas

Born in 1956. Trustee since July 2021. Principal occupation(s) during the past five years and other experience: president of Morehouse College (2018–present). Professor of business administration, emeritus at Harvard University (2017–2018). Dean (2011–2016) and professor of management (2016–2017) at the Georgetown University McDonough School of Business. Director of DTE Energy Company. Trustee of Common Fund.

Peter F. Volanakis

Born in 1955. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2010) of Corning Incorporated (communications equipment) and director of Corning Incorporated (2000–2010) and Dow Corning (2001–2010). Director (2012) of SPX Corporation (multi-industry manufacturing). Overseer of the Amos Tuck School of Business Administration, Dartmouth College (2001–2013). Member of the BMW Group Mobility Council.

Executive Officers

Jacqueline Angell

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (November 2022–present) of Vanguard and of each of the investment companies served by Vanguard. Chief compliance officer (2018–2022) and deputy chief compliance officer (2017–2019) of State Street.

Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2021–present) and treasurer (2017–2022) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

John Galloway

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (September 2020–present) of each of the investment companies served by Vanguard. Head of Investor Advocacy (February 2020–present) and head of Marketing Strategy and Planning (2017–2020) at Vanguard. Special assistant to the President of the United States (2015).

Ashley Grim

Born in 1984. Principal occupation(s) during the past five years and other experience: treasurer (February 2022–present) of each of the investment companies served by Vanguard. Fund transfer agent controller (2019–2022) and director of Audit Services (2017–2019) at Vanguard. Senior manager (2015–2017) at PriceWaterhouseCoopers (audit and assurance, consulting, and tax services).

Peter Mahoney

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Controller (2015–present) of each of the investment companies served by Vanguard. Head of International Fund Services (2008–2014) at Vanguard.

Anne E. Robinson

Born in 1970. Principal occupation(s) during the past five years and other experience: general counsel (2016–present) of Vanguard. Secretary (2016–present) of Vanguard and of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Managing director and general counsel of Global Cards and Consumer Services (2014–2016) at Citigroup. Counsel (2003–2014) at American Express. Nonexecutive director of the board of National Grid (energy).

Michael Rollings

Born in 1963. Principal occupation(s) during the past five years and other experience: finance director (2017–present) and treasurer (2017) of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Chief financial officer (2016–present) of Vanguard. Director (2016–present) of Vanguard Marketing Corporation. Executive vice president and chief financial officer (2006–2016) of MassMutual Financial Group.

Vanguard Senior Management Team**Matthew Benchener****Joseph Brennan****Mortimer J. Buckley****Gregory Davis****John James****Chris D. McIsaac****Thomas M. Rampulla****Karin A. Risi****Anne E. Robinson****Michael Rollings****Nitin Tandon****Lauren Valente**



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

All comparative mutual fund data are from Morningstar, Inc., unless otherwise noted.

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.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](https://www.vanguard.com/proxyreporting) or www.sec.gov.

You can review information about your fund on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.

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