

**Annual Report** | January 31, 2024

# Vanguard Real Estate Index Funds

Vanguard Real Estate Index Fund

Vanguard Real Estate II Index Fund

See the inside front cover for important information about your fund's annual and semiannual shareholder reports.

## Important information about shareholder reports

Beginning in July 2024, amendments adopted by the Securities and Exchange Commission will substantially impact the design, content, and transmission of shareholder reports. Shareholder reports will provide key fund information in a clear and concise format and must be mailed to each shareholder that has not elected to receive the reports electronically. Financial statements will no longer be included in the shareholder report but will be available at [vanguard.com](http://vanguard.com), can be mailed upon request, or can be accessed on the SEC’s website at [www.sec.gov](http://www.sec.gov).

You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to [vanguard.com](http://vanguard.com).

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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, 2024, returns for Vanguard Real Estate Index Fund ranged from -3.91% for Investor Shares to -3.81% for ETF Shares (based on net asset value), -3.75% for Admiral Shares, and -3.73% for Institutional Shares. Vanguard Real Estate II Index Fund returned -3.68%. The funds' benchmark index returned -3.62%.
- With inflation continuing to ease, the Federal Reserve slowed and eventually stopped hiking interest rates. Economic growth, the labor market, and consumer spending proved resilient, but the prospect of rates remaining high for an extended period spurred volatility at times. U.S. stocks rallied toward the end of 2023, however, as sentiment improved amid market expectations for rate cuts in 2024.
- Many of the sectors recorded negative returns for the 12 months. Telecom tower REITs, office REITs, and multifamily residential REITs contributed most to the negative performance.
- For the 10 years ended January 31, 2024, average annual returns for the Real Estate Index Fund ranged from 6.23% for Investor Shares to 6.36% for the Real Estate ETF, 6.38% for Admiral Shares, and 6.39% for Institutional Shares. The benchmark returned 6.48% for the period. The Real Estate II Index Fund launched in 2017 and doesn't have a 10-year record.

### Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2024		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	20.23%	9.78%	13.99%
Russell 2000 Index (Small-caps)	2.40	-0.76	6.80
Russell 3000 Index (Broad U.S. market)	19.15	9.10	13.53
FTSE All-World ex US Index (International)	6.29	1.57	5.77
<b>Bonds</b>			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	2.23%	-3.15%	0.90%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	2.90	-0.78	2.00
FTSE Three-Month U.S. Treasury Bill Index	5.36	2.40	1.96
<b>CPI</b>			
Consumer Price Index	3.09%	5.64%	4.15%

# 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 Real Estate Index Fund, in addition to its own expenses, bears its proportionate share of the costs for the Subsidiary. These indirect expenses make up the acquired fund fees and expenses, also expressed as a percentage of average net assets. 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. For the Real Estate Index Fund, the costs were calculated using the expense ratio and the acquired fund fees and expenses.

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, 2024

	Beginning Account Value 7/31/2023	Ending Account Value 1/31/2024	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,005.30	\$1.31
ETF Shares	1,000.00	1,006.20	0.66
Admiral™ Shares	1,000.00	1,006.30	0.66
Institutional Shares	1,000.00	1,006.40	0.51
Real Estate II Index Fund	\$1,000.00	\$1,006.60	\$0.40
<b>Based on Hypothetical 5% Yearly Return</b>			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,023.89	\$1.33
ETF Shares	1,000.00	1,024.55	0.66
Admiral Shares	1,000.00	1,024.55	0.66
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 for the Real Estate Index Fund are based on expenses incurred combined with acquired fund fees and expenses for the most recent six-month period. The fund's combined, annualized six-month expense figures for that period are: 0.26% for Investor Shares, 0.13% for ETF Shares, 0.13% for Admiral Shares, and 0.10% for Institutional Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense figure 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). The calculations for the Real Estate II Index Fund are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratio for that period is 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).

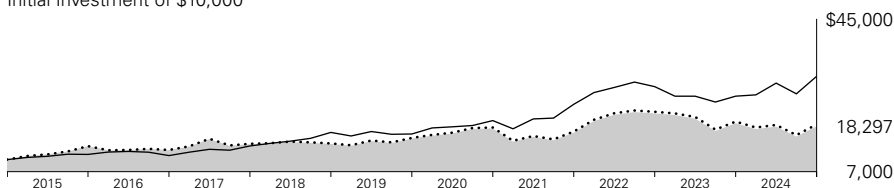
# Real Estate Index Fund

## 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](http://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, 2014, Through January 31, 2024

Initial Investment of \$10,000



#### Average Annual Total Returns Periods Ended January 31, 2024

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund Investor Shares	-3.91%	3.76%	6.23%	\$18,297
Real Estate Spliced Index	-3.62	4.02	6.48	18,744
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	11.87	30,709

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	-3.81%	3.88%	6.36%	\$18,526
Real Estate Index Fund ETF Shares Market Price	-3.83	3.86	6.37	18,535
Real Estate Spliced Index	-3.62	4.02	6.48	18,744
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	11.87	30,709

See Financial Highlights for dividend and capital gains information.

## Real Estate Index Fund

	Average Annual Total Returns Periods Ended January 31, 2024			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Admiral Shares	-3.75%	3.91%	6.38%	\$18,556
Real Estate Spliced Index	-3.62	4.02	6.48	18,744
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	11.87	30,709

	Average Annual Total Returns Periods Ended January 31, 2024			Final Value of a \$5,000,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Institutional Shares	-3.73%	3.93%	6.39%	\$ 9,292,836
Real Estate Spliced Index	-3.62	4.02	6.48	9,372,140
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	11.87	15,354,326

## Cumulative Returns of ETF Shares: January 31, 2014, Through January 31, 2024

	One Year	Five Years	Ten Years
Real Estate Index Fund ETF Shares Market Price	-3.83%	20.83%	85.35%
Real Estate Index Fund ETF Shares Net Asset Value	-3.81	20.95	85.26
Real Estate Spliced Index	-3.62	21.80	87.44

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](http://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, 2024

Data Center REITs	9.0%
Diversified Real Estate Activities	0.2
Diversified REITs	2.1
Health Care REITs	7.7
Hotel & Resort REITs	2.9
Industrial REITs	12.7
Multi-Family Residential REITs	8.4
Office REITs	4.7
Other Specialized REITs	6.0
Real Estate Development	0.3
Real Estate Operating Companies	0.3
Real Estate Services	6.9
Retail REITs	12.9
Self-Storage REITs	6.7
Single-Family Residential REITs	4.5
Telecom Tower REITs	12.3
Timber REITs	2.4

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, 2024

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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Equity Real Estate Investment Trusts (REITs) (93.0%)</b>					
<b>Data Center REITs (7.8%)</b>					
Equinix Inc.	3,811,615	3,162,764			
Digital Realty Trust Inc.	11,956,364	1,679,391			
		<b>4,842,155</b>			
<b>Diversified REITs (1.8%)</b>					
WP Carey Inc.	8,716,202	540,056			
Essential Properties Realty Trust Inc.	6,357,432	158,364			
Broadstone Net Lease Inc.	7,636,108	122,712			
Global Net Lease Inc.	7,964,708	67,302			
Empire State Realty Trust Inc.					
Class A	5,543,705	52,776			
Alexander & Baldwin Inc.	2,963,220	51,323			
American Assets Trust Inc.	1,977,034	44,345			
Armada Hoffer Properties Inc.	2,763,638	33,053			
Gladstone Commercial Corp.	1,626,224	20,848			
One Liberty Properties Inc.	702,181	14,212			
<sup>1</sup> NexPoint Diversified Real Estate Trust	1,313,538	9,063			
		<b>1,114,054</b>			
<b>Health Care REITs (6.6%)</b>					
Welltower Inc.	20,383,501	1,763,377			
Ventas Inc.	16,394,697	760,550			
Healthpeak Properties Inc.	22,281,028	412,199			
Omega Healthcare Investors Inc.	9,981,231	289,456			
Healthcare Realty Trust Inc.					
Class A	15,520,118	250,029			
Sabra Health Care REIT Inc.	9,423,531	125,710			
Physicians Realty Trust	9,717,091	118,937			
National Health Investors Inc.	1,771,764	94,222			
CareTrust REIT Inc.	4,059,530	84,925			
<sup>1</sup> Medical Properties Trust Inc.	24,355,296	75,501			
LTC Properties Inc.	1,693,035	52,772			
Community Healthcare Trust Inc.	1,030,782	26,378			
Global Medical REIT Inc.	2,534,288	25,622			
Universal Health Realty Income Trust	536,266	21,349			
Diversified Healthcare Trust	6,832,781	19,610			
		<b>4,120,637</b>			
<b>Hotel &amp; Resort REITs (2.5%)</b>					
Host Hotels & Resorts Inc.	28,985,560	557,102			
Ryman Hospitality Properties Inc.	2,309,753	253,842			
Apple Hospitality REIT Inc.	8,856,884	142,241			
Park Hotels & Resorts Inc.	8,781,555	132,426			
Sunstone Hotel Investors Inc.	8,018,986	85,563			
DiamondRock Hospitality Co.	8,530,293	77,967			
Pebblebrook Hotel Trust	4,900,568	74,587			
RLJ Lodging Trust	6,412,540	74,257			
Xenia Hotels & Resorts Inc.	4,356,483	58,072			
Service Properties Trust	6,733,788	52,052			
Summit Hotel Properties Inc.	4,374,069	28,344			
Chatham Lodging Trust	1,990,829	20,904			
		<b>1,557,357</b>			
<b>Industrial REITs (11.0%)</b>					
Prologis Inc.	37,634,936	4,767,970			
Rexford Industrial Realty Inc.	8,395,321	441,510			
EastGroup Properties Inc.	1,849,315	328,124			
Americold Realty Trust Inc.	11,006,959	302,691			

**Real Estate Index Fund**

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)	
First Industrial Realty Trust Inc.	5,386,820	277,529		Brandywine Realty Trust	6,991,372	33,139
STAG Industrial Inc.	7,318,318	270,339	1	Paramount Group Inc.	6,632,146	31,503
Terreno Realty Corp.	3,418,955	204,214		Peakstone Realty Trust	1,463,673	21,194
LXP Industrial Trust	11,920,542	108,358		NET Lease Office Properties	590,278	14,627
Innovative Industrial Properties Inc.	1,141,276	106,401		Orion Office REIT Inc.	2,174,470	11,177
Plymouth Industrial REIT Inc.	1,618,020	35,823		City Office REIT Inc.	1,626,011	8,537
Industrial Logistics Properties Trust	2,272,947	9,046		Franklin Street Properties Corp.	3,360,615	8,267
		<b>6,852,005</b>		1 Office Properties Income Trust	1,976,303	7,253
<b>Multi-Family Residential REITs (7.3%)</b>				*.2 New York REIT Liquidating LLC	1,208	8
AvalonBay Communities Inc.	5,786,131	1,035,775				<b>2,520,606</b>
Equity Residential	14,671,754	883,093		<b>Other (13.1%)<sup>3</sup></b>		
Essex Property Trust Inc.	2,614,732	609,939		4.5 Vanguard Real Estate II Index Fund	404,732,304	8,159,403
Mid-America Apartment Communities Inc.	4,753,024	600,687		<b>Other Specialized REITs (5.2%)</b>		
UDR Inc.	12,750,704	459,280		VICI Properties Inc. Class A	37,895,023	1,141,398
Camden Property Trust	4,348,838	408,095		Iron Mountain Inc.	11,888,410	802,705
Apartment Income REIT Corp. Class A	6,078,430	198,704		Gaming & Leisure Properties Inc.	10,703,507	488,615
Independence Realty Trust Inc.	9,144,955	134,339		Lamar Advertising Co. Class A	3,564,881	373,172
Elme Communities	3,581,189	51,856		EPR Properties	3,070,449	135,929
Veris Residential Inc.	2,999,117	45,737		Four Corners Property Trust Inc.	3,694,425	86,487
* Apartment Investment & Management Co. Class A	5,412,129	40,212		Outfront Media Inc.	6,038,151	78,617
Centerspace	608,727	33,334		Uniti Group Inc.	9,706,535	51,056
NexPoint Residential Trust Inc.	939,314	28,696		Safehold Inc.	1,876,448	37,266
		<b>4,529,747</b>		1 Farmland Partners Inc.	1,891,103	21,218
<b>Office REITs (4.1%)</b>				Gladstone Land Corp.	1,392,770	19,722
Alexandria Real Estate Equities Inc.	6,695,575	809,495				<b>3,236,185</b>
Boston Properties Inc.	6,067,484	403,488		<b>Retail REITs (11.2%)</b>		
Vornado Realty Trust	6,592,498	179,250		Simon Property Group Inc.	13,328,208	1,847,423
Kilroy Realty Corp.	4,530,466	162,009		Realty Income Corp.	33,888,615	1,843,202
Cousins Properties Inc.	6,173,572	141,436		Kimco Realty Corp.	27,361,288	552,698
1 SL Green Realty Corp.	2,619,575	117,750		Regency Centers Corp.	6,771,211	424,352
COPT Defense Properties	4,583,714	107,992		Federal Realty Investment Trust	2,988,406	304,011
Highwoods Properties Inc.	4,295,778	98,674		NNN REIT Inc.	7,434,203	299,896
Douglas Emmett Inc.	6,782,012	91,896		Brixmor Property Group Inc.	12,245,812	274,796
Equity Commonwealth	4,490,765	85,818		Agree Realty Corp.	3,925,306	233,987
JBG SMITH Properties	3,999,490	63,992		Kite Realty Group Trust	8,933,217	191,171
Easterly Government Properties Inc. Class A	3,803,083	46,702		Phillips Edison & Co. Inc.	4,787,024	166,158
Hudson Pacific Properties Inc.	5,157,336	42,239		Macerich Co.	8,757,350	138,279
Piedmont Office Realty Trust Inc. Class A	5,023,497	34,160		Tanger Inc.	4,285,150	115,270
				SITE Centers Corp.	7,666,423	102,117
				Urban Edge Properties	4,786,384	82,661
				Retail Opportunity Investments Corp.	5,126,739	69,672
				InvenTrust Properties Corp.	2,757,805	68,476



## Real Estate Index Fund

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (0.8%)</b>		
<b>Money Market Fund (0.8%)</b>		
6,7 Vanguard Market Liquidity Fund, 5.410% (Cost \$488,429)	4,885,464	488,498
<b>Total Investments (100.4%) (Cost \$63,547,629)</b>		<b>62,456,224</b>
<b>Other Assets and Liabilities—Net (-0.4%)</b>		<b>(247,269)</b>
<b>Net Assets (100%)</b>		<b>62,208,955</b>

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 \$178,904,000.

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 \$206,131,000 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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Digital Realty Trust Inc.	8/30/24	BANA	50,468	(5.476)	2,440	—
Redfin Corp.	1/31/25	GSI	2,856	(5.323)	—	—
VICI Properties Inc. Class A	8/30/24	BANA	108,392	(5.976)	—	(5,095)
Welltower Inc.	8/30/24	BANA	67,628	(5.476)	—	(3,043)
					2,440	(8,138)

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

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

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

# Statement of Assets and Liabilities

As of January 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$55,435,308)	53,808,323
Affiliated Issuers (Cost \$488,429)	488,498
Vanguard Real Estate II Index Fund (Cost \$7,623,892)	8,159,403
Total Investments in Securities	62,456,224
Investment in Vanguard	1,772
Cash	3,260
Cash Collateral Pledged—Over-the-Counter Swap Contracts	3,509
Receivables for Investment Securities Sold	2,862
Receivables for Accrued Income	52,907
Receivables for Capital Shares Issued	329,885
Unrealized Appreciation—Over-the-Counter Swap Contracts	2,440
<b>Total Assets</b>	<b>62,852,859</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	407,268
Collateral for Securities on Loan	206,131
Payables for Capital Shares Redeemed	19,283
Payables to Vanguard	3,084
Unrealized Depreciation—Over-the-Counter Swap Contracts	8,138
<b>Total Liabilities</b>	<b>643,904</b>
<b>Net Assets</b>	<b>62,208,955</b>

<sup>1</sup> Includes \$178,904,000 of securities on loan.

Statement of Assets and Liabilities (continued)

At January 31, 2024, net assets consisted of:

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Paid-in Capital	67,382,731
Total Distributable Earnings (Loss)	(5,173,776)
<b>Net Assets</b>	<b>62,208,955</b>

Investor Shares—Net Assets

Applicable to 3,099,956 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	86,471
<b>Net Asset Value Per Share—Investor Shares</b>	<b>\$27.89</b>

ETF Shares—Net Assets

Applicable to 385,505,685 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	32,358,555
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$83.94</b>

Admiral Shares—Net Assets

Applicable to 167,104,066 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	19,878,937
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$118.96</b>

Institutional Shares—Net Assets

Applicable to 536,877,804 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	9,884,992
<b>Net Asset Value Per Share—Institutional Shares</b>	<b>\$18.41</b>

# Statement of Operations

Year Ended  
January 31, 2024

(\$'000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends—Unaffiliated Issuers	1,703,683
Dividends—Vanguard Real Estate II Index Fund	246,388
Interest—Unaffiliated Issuers	1
Interest—Affiliated Issuers	15,865
Securities Lending—Net	2,187
Total Income	1,968,124
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	1,304
Management and Administrative—Investor Shares	228
Management and Administrative—ETF Shares	33,288
Management and Administrative—Admiral Shares	21,025
Management and Administrative—Institutional Shares	8,377
Marketing and Distribution—Investor Shares	6
Marketing and Distribution—ETF Shares	1,489
Marketing and Distribution—Admiral Shares	937
Marketing and Distribution—Institutional Shares	343
Custodian Fees	83
Auditing Fees	40
Shareholders' Reports—Investor Shares	1
Shareholders' Reports—ETF Shares	1,287
Shareholders' Reports—Admiral Shares	355
Shareholders' Reports—Institutional Shares	158
Trustees' Fees and Expenses	42
Other Expenses	42
Total Expenses	69,005
<b>Net Investment Income</b>	<b>1,899,119</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received—Unaffiliated Issuers	262,809
Capital Gain Distributions Received—Affiliated Issuers	1
Capital Gain Distributions Received—Vanguard Real Estate II Index Fund	—
Investment Securities Sold—Unaffiliated Issuers <sup>1</sup>	(33,190)
Investment Securities Sold—Affiliated Issuers	105
Investment Securities Sold—Vanguard Real Estate II Index Fund	—
Futures Contracts	99
Swap Contracts	47,246
<b>Realized Net Gain (Loss)</b>	<b>277,070</b>

## Real Estate Index Fund

### Statement of Operations (continued)

	Year Ended January 31, 2024
	(\$000)
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities—Unaffiliated Issuers	(4,566,799)
Investment Securities—Affiliated Issuers	(9)
Investment Securities—Vanguard Real Estate II Index Fund	(558,172)
Swap Contracts	(36,695)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(5,161,675)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(2,985,486)</b>

1 Includes \$1,592,774,000 of net gain (loss) resulting from in-kind redemptions.



# Statement of Changes in Net Assets

	Year Ended January 31,	
	2024	2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	1,899,119	1,757,360
Realized Net Gain (Loss)	277,070	2,948,495
Change in Unrealized Appreciation (Depreciation)	(5,161,675)	(14,507,077)
Net Increase (Decrease) in Net Assets Resulting from Operations	(2,985,486)	(9,801,222)
<b>Distributions</b>		
Net Investment Income and/or Realized Capital Gains		
Investor Shares	(2,871)	(3,184)
ETF Shares	(1,004,365)	(893,338)
Admiral Shares	(620,267)	(518,210)
Institutional Shares	(301,203)	(253,055)
Return of Capital		
Investor Shares	(994)	(1,590)
ETF Shares	(347,576)	(446,081)
Admiral Shares	(214,652)	(258,764)
Institutional Shares	(104,235)	(126,361)
Total Distributions	(2,596,163)	(2,500,583)
<b>Capital Share Transactions</b>		
Investor Shares	(30,815)	(41,427)
ETF Shares	(1,415,940)	(3,046,898)
Admiral Shares	(516,200)	34,532
Institutional Shares	80,493	306,763
Net Increase (Decrease) from Capital Share Transactions	(1,882,462)	(2,747,030)
Total Increase (Decrease)	(7,464,111)	(15,048,835)
<b>Net Assets</b>		
Beginning of Period	69,673,066	84,721,901
End of Period	62,208,955	69,673,066

# Financial Highlights

## Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2024	2023	2022	2021	2020
<b>Net Asset Value, Beginning of Period</b>	<b>\$30.26</b>	<b>\$35.37</b>	<b>\$28.23</b>	<b>\$31.21</b>	<b>\$27.69</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.787	.684	.602	.586	.719
Net Realized and Unrealized Gain (Loss) on Investments	(2.036)	(4.766)	7.475	(2.498)	3.801
Total from Investment Operations	(1.249)	(4.082)	8.077	(1.912)	4.520
<b>Distributions</b>					
Dividends from Net Investment Income	(.833)	(.686)	(.620)	(.624)	(.752)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(.288)	(.342)	(.317)	(.444)	(.248)
Total Distributions	(1.121)	(1.028)	(.937)	(1.068)	(1.000)
<b>Net Asset Value, End of Period</b>	<b>\$27.89</b>	<b>\$30.26</b>	<b>\$35.37</b>	<b>\$28.23</b>	<b>\$31.21</b>
<b>Total Return<sup>2</sup></b>	<b>-3.91%</b>	<b>-11.39%</b>	<b>28.73%</b>	<b>-5.88%</b>	<b>16.59%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$86	\$127	\$196	\$188	\$243
Ratio of Total Expenses to Average Net Assets	0.26%	0.26% <sup>3</sup>	0.26%	0.26%	0.26%
Acquired Fund Fees and Expenses <sup>4</sup>	0.01%	—	—	—	—
Ratio of Net Investment Income to Average Net Assets	2.87%	2.18%	1.77%	2.18%	2.48%
Portfolio Turnover Rate <sup>5</sup>	9%	7%	7%	8%	6%

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 For the fiscal year ended January 31, 2023, and for each prior period, the acquired fund fees and expenses were less than 0.01%.

5 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,				
	2024	2023	2022	2021	2020
<b>Net Asset Value, Beginning of Period</b>	<b>\$91.06</b>	<b>\$106.44</b>	<b>\$84.96</b>	<b>\$93.93</b>	<b>\$83.36</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.527	2.240	1.960	1.889	2.335
Net Realized and Unrealized Gain (Loss) on Investments	(6.154)	(14.394)	22.486	(7.525)	11.379
Total from Investment Operations	(3.627)	(12.154)	24.446	(5.636)	13.714
<b>Distributions</b>					
Dividends from Net Investment Income	(2.595)	(2.152)	(1.943)	(1.947)	(2.364)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(.898)	(1.074)	(1.023)	(1.387)	(.780)
Total Distributions	(3.493)	(3.226)	(2.966)	(3.334)	(3.144)
<b>Net Asset Value, End of Period</b>	<b>\$83.94</b>	<b>\$91.06</b>	<b>\$106.44</b>	<b>\$84.96</b>	<b>\$93.93</b>
<b>Total Return</b>	<b>-3.81%</b>	<b>-11.25%</b>	<b>28.88%</b>	<b>-5.80%</b>	<b>16.70%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$32,359	\$36,825	\$46,673	\$32,064	\$37,682
Ratio of Total Expenses to Average Net Assets	0.12%	0.12% <sup>2</sup>	0.12%	0.12%	0.12%
Acquired Fund Fees and Expenses <sup>3</sup>	0.01%	—	—	—	—
Ratio of Net Investment Income to Average Net Assets	3.07%	2.38%	1.90%	2.33%	2.60%
Portfolio Turnover Rate <sup>4</sup>	9%	7%	7%	8%	6%

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 For the fiscal year ended January 31, 2023, and for each prior period, the acquired fund fees and expenses were less than 0.01%.

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

## Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2024	2023	2022	2021	2020
<b>Net Asset Value, Beginning of Period</b>	<b>\$129.05</b>	<b>\$150.85</b>	<b>\$120.40</b>	<b>\$133.12</b>	<b>\$118.14</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	3.613	3.201	2.761	2.677	3.315
Net Realized and Unrealized Gain (Loss) on Investments	(8.752)	(20.428)	31.890	(10.672)	16.121
Total from Investment Operations	(5.139)	(17.227)	34.651	(7.995)	19.436
<b>Distributions</b>					
Dividends from Net Investment Income	(3.678)	(3.050)	(2.770)	(2.759)	(3.350)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(1.273)	(1.523)	(1.431)	(1.966)	(1.106)
Total Distributions	(4.951)	(4.573)	(4.201)	(4.725)	(4.456)
<b>Net Asset Value, End of Period</b>	<b>\$118.96</b>	<b>\$129.05</b>	<b>\$150.85</b>	<b>\$120.40</b>	<b>\$133.12</b>
<b>Total Return<sup>2</sup></b>	<b>-3.75%</b>	<b>-11.26%</b>	<b>28.91%</b>	<b>-5.74%</b>	<b>16.73%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$19,879	\$22,110	\$25,764	\$19,702	\$23,274
Ratio of Total Expenses to Average Net Assets	0.12%	0.12% <sup>3</sup>	0.12%	0.12%	0.12%
Acquired Fund Fees and Expenses <sup>4</sup>	0.01%	—	—	—	—
Ratio of Net Investment Income to Average Net Assets	3.10%	2.41%	1.90%	2.33%	2.60%
Portfolio Turnover Rate <sup>5</sup>	9%	7%	7%	8%	6%

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 For the fiscal year ended January 31, 2023, and for each prior period, the acquired fund fees and expenses were less than 0.01%.

5 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,				
	2024	2023	2022	2021	2020
<b>Net Asset Value, Beginning of Period</b>	<b>\$19.97</b>	<b>\$23.35</b>	<b>\$18.64</b>	<b>\$20.60</b>	<b>\$18.28</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.565	.500	.432	.421	.518
Net Realized and Unrealized Gain (Loss) on Investments	(1.355)	(3.168)	4.933	(1.646)	2.496
Total from Investment Operations	(.790)	(2.668)	5.365	(1.225)	3.014
<b>Distributions</b>					
Dividends from Net Investment Income	(.572)	(.475)	(.432)	(.429)	(.522)
Distributions from Realized Capital Gains	—	—	—	—	—
Return of Capital	(.198)	(.237)	(.223)	(.306)	(.172)
Total Distributions	(.770)	(.712)	(.655)	(.735)	(.694)
<b>Net Asset Value, End of Period</b>	<b>\$18.41</b>	<b>\$19.97</b>	<b>\$23.35</b>	<b>\$18.64</b>	<b>\$20.60</b>
<b>Total Return</b>	<b>-3.73%</b>	<b>-11.27%</b>	<b>28.91%</b>	<b>-5.68%</b>	<b>16.77%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$9,885	\$10,610	\$12,089	\$9,478	\$10,027
Ratio of Total Expenses to Average Net Assets	0.10%	0.10% <sup>2</sup>	0.10%	0.10%	0.10%
Acquired Fund Fees and Expenses <sup>3</sup>	0.01%	—	—	—	—
Ratio of Net Investment Income to Average Net Assets	3.13%	2.43%	1.92%	2.37%	2.63%
Portfolio Turnover Rate <sup>4</sup>	9%	7%	7%	8%	6%

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 For the fiscal year ended January 31, 2023, and for each prior period, the acquired fund fees and expenses were less than 0.01%.

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.

## 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 (“the Subsidiary”) is the wholly owned subsidiary in which the fund has invested a portion of its assets. Expenses of the Subsidiary are reflected in the Acquired Fund Fees and Expenses in the Financial Highlights. For additional financial information about the Subsidiary, refer to the accompanying financial statements.

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. Other temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in

the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the year ended January 31, 2024, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at January 31, 2024.

3. Swap Contracts: The fund has entered into equity swap contracts to earn the total return on selected reference stocks or indexes 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, 2024, the fund's average amounts of investments in total return swaps represented 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

4. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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.
5. **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.
6. **Securities Lending:** To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled 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.
7. **Credit Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 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, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. 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. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. 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, 2024, the fund had contributed to Vanguard capital in the amount of \$1,772,000, representing less than 0.01% of the fund's net assets and 0.71% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. 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, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	61,967,718	—	8	61,967,726
Temporary Cash Investments	488,498	—	—	488,498
Total	62,456,216	—	8	62,456,224
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Swap Contracts	—	2,440	—	2,440
<b>Liabilities</b>				
Swap Contracts	—	8,138	—	8,138

D. 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	1,596,236
Total Distributable Earnings (Loss)	(1,596,236)

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 capital loss carryforwards; the deferral of losses from wash sales; the deferral of income from real estate investment trusts; and the recognition of unrealized

## Real Estate Index Fund

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)	(1,361,819)
Capital Loss Carryforwards	(3,972,566)
Qualified Late-Year Losses	—
Other Temporary Differences	160,609
Total	(5,173,776)

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2024 Amount (\$000)	2023 Amount (\$000)
Ordinary Income*	1,928,706	1,667,787
Long-Term Capital Gains	—	—
Return of Capital	667,457	832,796
Total	2,596,163	2,500,583

\* Includes short-term capital gains, if any.

As of January 31, 2024, 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	63,818,043
Gross Unrealized Appreciation	7,425,022
Gross Unrealized Depreciation	(8,786,841)
Net Unrealized Appreciation (Depreciation)	(1,361,819)

E. During the year ended January 31, 2024, the fund purchased \$10,445,905,000 of investment securities and sold \$12,255,897,000 of investment securities, other than temporary cash investments. Purchases and sales include \$4,810,130,000 and \$6,625,874,000, 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, 2024, such purchases were \$0 and sales were \$39,253,000, resulting in net realized loss of \$9,789,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended January 31,			
	2024		2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Investor Shares</b>				
Issued	7,901	286	12,156	378
Issued in Lieu of Cash Distributions	3,865	145	4,774	163
Redeemed	(42,581)	(1,536)	(58,357)	(1,875)
Net Increase (Decrease)—Investor Shares	(30,815)	(1,105)	(41,427)	(1,334)
<b>ETF Shares</b>				
Issued	5,219,768	62,577	6,166,911	65,225
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(6,635,708)	(81,500)	(9,213,809)	(99,300)
Net Increase (Decrease)—ETF Shares	(1,415,940)	(18,923)	(3,046,898)	(34,075)
<b>Admiral Shares</b>				
Issued	2,321,785	19,988	2,666,411	20,054
Issued in Lieu of Cash Distributions	735,078	6,445	682,639	5,494
Redeemed	(3,573,063)	(30,661)	(3,314,518)	(25,007)
Net Increase (Decrease)—Admiral Shares	(516,200)	(4,228)	34,532	541
<b>Institutional Shares</b>				
Issued	1,713,612	95,042	2,009,244	97,409
Issued in Lieu of Cash Distributions	384,847	21,798	357,630	18,606
Redeemed	(2,017,966)	(111,179)	(2,060,111)	(102,593)
Net Increase (Decrease)—Institutional Shares	80,493	5,661	306,763	13,422

G. Transactions during the period in investments where the issuer is another member of The Vanguard Group were as follows:

	Current Period Transactions							
	Jan. 31, 2023 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold <sup>1</sup> (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Jan. 31, 2024 Market Value (\$000)
Vanguard Market Liquidity Fund	399,890	NA <sup>2</sup>	NA <sup>2</sup>	105	(9)	15,865	1	488,498
Vanguard Real Estate II Index Fund	8,471,187	332,462	—	—	(558,172)	246,388	—	8,159,403
<b>Total</b>	<b>8,871,077</b>	<b>332,462</b>	<b>—</b>	<b>105</b>	<b>(558,181)</b>	<b>262,253</b>	<b>1</b>	<b>8,647,901</b>

<sup>1</sup> Does not include adjustments related to return of capital.

<sup>2</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

H. 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.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to January 31, 2024, that would require recognition or disclosure in these financial statements.

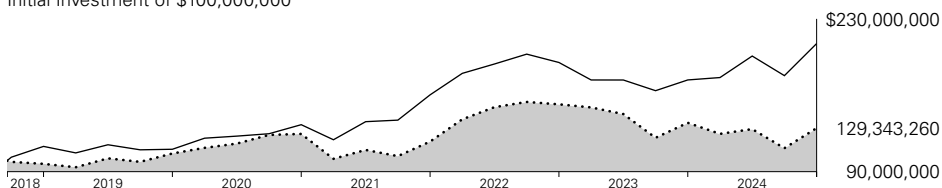
# Real Estate II Index Fund

## 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](http://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, 2024

Initial Investment of \$100,000,000



#### Average Annual Total Returns Periods Ended January 31, 2024

	One Year	Five Years	Since Inception (9/26/2017)	Final Value of a \$100,000,000 Investment
Real Estate II Index Fund	-3.68%	3.96%	4.14%	\$129,343,260
Real Estate Spliced Index	-3.62	4.02	4.20	129,880,850
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	12.17	207,351,750

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, 2024

Data Center REITs	9.1%
Diversified Real Estate Activities	0.2
Diversified REITs	2.1
Health Care REITs	7.8
Hotel & Resort REITs	2.8
Industrial REITs	12.7
Multi-Family Residential REITs	8.4
Office REITs	4.7
Other Specialized REITs	6.2
Real Estate Development	0.2
Real Estate Operating Companies	0.3
Real Estate Services	6.9
Retail REITs	12.7
Self-Storage REITs	6.7
Single-Family Residential REITs	4.5
Telecom Tower REITs	12.3
Timber REITs	2.4

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.





Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Plymouth Industrial REIT Inc.	252,863	5,598	Franklin Street Properties Corp.	522,527	1,285
Industrial Logistics Properties Trust	356,192	1,418	Office Properties Income Trust	307,574	1,129
		<b>1,068,411</b>			<b>393,234</b>
<b>Multi-Family Residential REITs (8.4%)</b>			<b>Other Specialized REITs (6.2%)</b>		
AvalonBay Communities Inc.	902,223	161,507	VICI Properties Inc. Class A	6,438,025	193,913
Equity Residential	2,287,677	137,695	Iron Mountain Inc.	1,854,093	125,188
Essex Property Trust Inc.	407,610	95,083	Gaming & Leisure Properties Inc.	1,667,918	76,140
Mid-America Apartment Communities Inc.	740,993	93,647	Lamar Advertising Co. Class A	555,924	58,194
UDR Inc.	1,987,824	71,601	EPR Properties	478,333	21,176
Camden Property Trust	678,061	63,629	Four Corners Property Trust Inc.	574,969	13,460
Apartment Income REIT Corp. Class A	947,655	30,979	Outfront Media Inc.	942,960	12,277
Independence Realty Trust Inc.	1,427,196	20,966	Uniti Group Inc.	1,515,737	7,973
Elme Communities	558,517	8,087	Safehold Inc.	293,216	5,823
Veris Residential Inc.	468,438	7,144	1 Farmland Partners Inc.	293,811	3,297
* Apartment Investment & Management Co. Class A	844,769	6,277	Gladstone Land Corp.	215,507	3,052
Centerspace	94,967	5,200			<b>520,493</b>
NexPoint Residential Trust Inc.	146,857	4,487	<b>Retail REITs (12.7%)</b>		
		<b>706,302</b>	Simon Property Group Inc.	2,078,411	288,089
<b>Office REITs (4.7%)</b>			Realty Income Corp.	4,982,369	270,991
Alexandria Real Estate Equities Inc.	1,044,306	126,256	Kimco Realty Corp.	4,268,536	86,224
Boston Properties Inc.	947,054	62,979	Regency Centers Corp.	1,055,363	66,140
Vornado Realty Trust	1,028,545	27,966	Federal Realty Investment Trust	465,941	47,400
Kilroy Realty Corp.	706,979	25,281	NNN REIT Inc.	1,158,405	46,730
Cousins Properties Inc.	964,039	22,086	Brixmor Property Group Inc.	1,908,888	42,835
1 SL Green Realty Corp.	408,873	18,379	Agree Realty Corp.	611,353	36,443
COPT Defense Properties	714,590	16,836	Kite Realty Group Trust	1,393,341	29,818
Highwoods Properties Inc.	671,021	15,413	Phillips Edison & Co. Inc.	745,515	25,877
Douglas Emmett Inc.	1,058,911	14,348	Macerich Co.	1,366,917	21,584
Equity Commonwealth	696,431	13,309	Tanger Inc.	667,932	17,967
JBG SMITH Properties	624,163	9,987	SITE Centers Corp.	1,195,719	15,927
Easterly Government Properties Inc. Class A	593,094	7,283	Urban Edge Properties	747,710	12,913
Hudson Pacific Properties Inc.	805,447	6,597	Retail Opportunity Investments Corp.	800,153	10,874
Piedmont Office Realty Trust Inc. Class A	785,430	5,341	InvenTrust Properties Corp.	429,123	10,655
Brandywine Realty Trust	1,092,599	5,179	Acadia Realty Trust	605,355	10,327
Paramount Group Inc.	1,034,880	4,916	Getty Realty Corp.	305,149	8,440
1 Peakstone Realty Trust	228,849	3,314	NETSTREIT Corp.	425,554	7,732
NET Lease Office Properties	91,309	2,263	Whitestone REIT	299,339	3,868
Orion Office REIT Inc.	340,988	1,753	Alexander's Inc.	14,612	3,212
City Office REIT Inc.	254,132	1,334	Saul Centers Inc.	83,545	3,196
			1 CBL & Associates Properties Inc.	71,303	1,667
			*.2 Spirit MTA REIT	257,871	—
					<b>1,068,909</b>
			<b>Self-Storage REITs (6.6%)</b>		
			Public Storage	1,005,175	284,655
			Extra Space Storage Inc.	1,342,057	193,847

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
CubeSmart	1,427,647	61,703	* CBRE Group Inc. Class A	1,968,514	169,902
National Storage Affiliates Trust	538,490	20,113	* Zillow Group Inc. Class C	971,603	55,226
		<b>560,318</b>	* Jones Lang LaSalle Inc.	302,799	53,614
<b>Single-Family Residential REITs (4.5%)</b>			* Zillow Group Inc. Class A	359,535	19,807
Invitation Homes Inc.	3,887,859	128,027	* Opendoor Technologies Inc.	3,349,456	11,455
Sun Communities Inc.	790,210	99,053	* Cushman & Wakefield plc Newmark Group Inc. Class A	1,009,647	10,621
Equity LifeStyle Properties Inc.	1,123,824	76,072	* Compass Inc. Class A	2,222,372	7,645
American Homes 4 Rent Class A	2,065,414	72,393	1 eXp World Holdings Inc.	488,366	6,046
UMH Properties Inc.	394,791	5,965	Marcus & Millichap Inc.	158,687	6,044
		<b>381,510</b>	* Redfin Corp.	723,745	5,906
<b>Telecom Tower REITs (12.2%)</b>			* Anywhere Real Estate Inc.	631,362	4,495
American Tower Corp.	2,960,968	579,313	*.1 Offerpad Solutions Inc.	59,854	558
Crown Castle Inc.	2,754,766	298,203	* Doma Holdings Inc.	33,504	139
SBA Communications Corp. Class A	688,482	154,124			<b>577,326</b>
		<b>1,031,640</b>			
<b>Timber REITs (2.4%)</b>			<b>Total Real Estate Management &amp; Development (Cost \$703,015)</b>		<b>643,769</b>
Weyerhaeuser Co.	4,641,939	152,116	<b>Temporary Cash Investments (0.5%)</b>		
Rayonier Inc.	894,808	27,113	<b>Money Market Fund (0.5%)</b>		
PotlatchDeltic Corp.	507,555	22,703	<sup>3,4</sup> Vanguard Market Liquidity Fund, 5.410% (Cost \$43,204)	432,117	43,208
		<b>201,932</b>			
<b>Total Equity Real Estate Investment Trusts (REITs) (Cost \$7,075,007)</b>		<b>7,758,944</b>	<b>Total Investments (100.2%) (Cost \$7,821,226)</b>		<b>8,445,921</b>
<b>Real Estate Management &amp; Development (7.6%)</b>			<b>Other Assets and Liabilities—Net (-0.2%)</b>		<b>(20,057)</b>
<b>Diversified Real Estate Activities (0.2%)</b>			<b>Net Assets (100%)</b>		<b>8,425,864</b>
St. Joe Co.	222,290	12,270			
RMR Group Inc. Class A	99,368	2,593			
		<b>14,863</b>			
<b>Real Estate Development (0.3%)</b>					
* Howard Hughes Holdings Inc.	222,748	17,838			
* Forestar Group Inc.	126,457	3,953			
		<b>21,791</b>			
<b>Real Estate Operating Companies (0.3%)</b>					
DigitalBridge Group Inc.	1,032,239	20,273			
Kennedy-Wilson Holdings Inc.	708,197	7,401			
* Seritage Growth Properties Class A	231,116	2,115			
		<b>29,789</b>			
<b>Real Estate Services (6.8%)</b>					
* CoStar Group Inc.	2,593,881	216,537			

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 \$14,243,000.

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 \$17,105,000 was received for securities on loan. REIT—Real Estate Investment Trust.

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Derivative Financial Instruments Outstanding as of Period End

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Over-the-Counter Total Return Swaps

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Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Park Hotels & Resorts Inc.	1/31/25	GSI	6,032	(5.323)	—	—
Realty Income Corp.	8/30/24	BANA	17,226	(5.426)	—	(830)
					—	(830)

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

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

# Statement of Assets and Liabilities

As of January 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$7,778,022)	8,402,713
Affiliated Issuers (Cost \$43,204)	43,208
Total Investments in Securities	8,445,921
Investment in Vanguard	281
Cash Collateral Pledged—Over-the-Counter Swap Contracts	970
Receivables for Accrued Income	8,161
Receivables for Capital Shares Issued	377
<b>Total Assets</b>	<b>8,455,710</b>
<b>Liabilities</b>	
Due to Custodian	156
Payables for Investment Securities Purchased	11,447
Collateral for Securities on Loan	17,105
Payables for Capital Shares Redeemed	7
Payables to Vanguard	301
Unrealized Depreciation—Over-the-Counter Swap Contracts	830
<b>Total Liabilities</b>	<b>29,846</b>
<b>Net Assets</b>	<b>8,425,864</b>

<sup>1</sup> Includes \$14,243,000 of securities on loan.

At January 31, 2024, net assets consisted of:

Paid-in Capital	7,891,750
Total Distributable Earnings (Loss)	534,114
<b>Net Assets</b>	<b>8,425,864</b>

## Net Assets

Applicable to 418,019,455 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,425,864
<b>Net Asset Value Per Share</b>	<b>\$20.16</b>

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

# Statement of Operations

Year Ended  
January 31, 2024

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends	258,812
Interest <sup>1</sup>	451
Securities Lending—Net	300
Total Income	259,563
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	160
Management and Administrative	5,874
Marketing and Distribution	132
Custodian Fees	207
Auditing Fees	40
Shareholders' Reports	17
Trustees' Fees and Expenses	6
Other Expenses	20
Total Expenses	6,456
<b>Net Investment Income</b>	<b>253,107</b>
<b>Realized Net Gain (Loss)</b>	
Capital Gain Distributions Received	38,730
Investment Securities Sold <sup>1</sup>	(115,624)
Futures Contracts	14
Swap Contracts	1,826
<b>Realized Net Gain (Loss)</b>	<b>(75,054)</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	(496,060)
Swap Contracts	(830)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(496,890)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(318,837)</b>

<sup>1</sup> Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$451,000, (\$1,000), less than \$1,000, and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

## Statement of Changes in Net Assets

	Year Ended January 31,	
	2024 (\$000)	2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	253,107	211,725
Realized Net Gain (Loss)	(75,054)	70,280
Change in Unrealized Appreciation (Depreciation)	(496,890)	(1,336,365)
Net Increase (Decrease) in Net Assets Resulting from Operations	(318,837)	(1,054,360)
<b>Distributions</b>		
Net Investment Income and/or Realized Capital Gains	(254,199)	(291,773)
Return of Capital	(88,901)	(48,996)
Total Distributions	(343,100)	(340,769)
<b>Capital Share Transactions</b>		
Issued	70,851	203,267
Issued in Lieu of Cash Distributions	343,100	340,769
Redeemed	(15,985)	(1,113)
Net Increase (Decrease) from Capital Share Transactions	397,966	542,923
Total Increase (Decrease)	(263,971)	(852,206)
<b>Net Assets</b>		
Beginning of Period	8,689,835	9,542,041
End of Period	8,425,864	8,689,835

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,				
	2024	2023	2022	2021	2020
<b>Net Asset Value, Beginning of Period</b>	<b>\$21.86</b>	<b>\$25.69</b>	<b>\$20.50</b>	<b>\$22.64</b>	<b>\$20.10</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.620	.558	.484	.471	.571
Net Realized and Unrealized Gain (Loss) on Investments	(1.476)	(3.493)	5.427	(1.808)	2.752
Total from Investment Operations	(.856)	(2.935)	5.911	(1.337)	3.323
<b>Distributions</b>					
Dividends from Net Investment Income	(.625)	(.528)	(.477)	(.465)	(.590)
Distributions from Realized Capital Gains	—	(.238)	(.034)	—	—
Return of Capital	(.219)	(.129)	(.210)	(.338)	(.193)
Total Distributions	(.844)	(.895)	(.721)	(.803)	(.783)
<b>Net Asset Value, End of Period</b>	<b>\$20.16</b>	<b>\$21.86</b>	<b>\$25.69</b>	<b>\$20.50</b>	<b>\$22.64</b>
<b>Total Return</b>	<b>-3.68%</b>	<b>-11.23%</b>	<b>28.96%</b>	<b>-5.70%</b>	<b>16.78%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$8,426	\$8,690	\$9,542	\$7,400	\$7,848
Ratio of Total Expenses to Average Net Assets	0.08%	0.08% <sup>2</sup>	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	3.14%	2.47%	1.95%	2.41%	2.63%
Portfolio Turnover Rate	6%	5% <sup>3</sup>	6%	4%	3%

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, 2024, the Real Estate Index Fund was the record and beneficial owner of 96.8% 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.

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. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund’s performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the year ended January 31, 2024, the fund’s average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at January 31, 2024.



3. Swap Contracts: The fund has entered into equity swap contracts to earn the total return on selected reference stocks or indexes 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, 2024, 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.

4. 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.

5. 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.

6. Securities Lending: To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled 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.

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 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, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. 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, 2024, the fund had contributed to Vanguard capital in the amount of \$281,000, representing less than 0.01% of the fund's net assets and 0.11% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

**C.** 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, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	8,402,713	—	—	8,402,713
Temporary Cash Investments	43,208	—	—	43,208
<b>Total</b>	<b>8,445,921</b>	<b>—</b>	<b>—</b>	<b>8,445,921</b>
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	830	—	830

D. 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 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 capital loss carryforwards; 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)	567,667
Capital Loss Carryforwards	(59,114)
Qualified Late-Year Losses	—
Other Temporary Differences	25,561
<b>Total</b>	<b>534,114</b>

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2024 Amount (\$000)	2023 Amount (\$000)
Ordinary Income*	254,199	198,902
Long-Term Capital Gains	—	92,871
Return of Capital	88,901	48,996
Total	343,100	340,769

\* Includes short-term capital gains, if any.

As of January 31, 2024, 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	7,878,254
Gross Unrealized Appreciation	1,664,309
Gross Unrealized Depreciation	(1,096,642)
Net Unrealized Appreciation (Depreciation)	567,667

E. During the year ended January 31, 2024, the fund purchased \$833,639,000 of investment securities and sold \$465,083,000 of investment securities, other than temporary cash investments.

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, 2024, such purchases were \$31,702,000 and sales were \$1,323,000, resulting in net realized loss of \$801,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

F. Capital shares issued and redeemed were:

	Year Ended January 31,	
	2024 Shares (000)	2023 Shares (000)
Issued	3,562	9,838
Issued in Lieu of Cash Distributions	17,762	16,244
Redeemed	(786)	(52)
Net Increase (Decrease) in Shares Outstanding	20,538	26,030

**G.** 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.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

**H.** Management has determined that no events or transactions occurred subsequent to January 31, 2024, 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, 2024, the related statements of operations for the year ended January 31, 2024, the statements of changes in net assets for each of the two years in the period ended January 31, 2024, including the related notes, and the financial highlights for each of the five years in the period ended January 31, 2024 (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, 2024, 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, 2024 and each of the financial highlights for each of the five years in the period ended January 31, 2024 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, 2024 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 20, 2024

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

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**Tax information (unaudited)**

The following amounts, or if subsequently determined to be different, the maximum amounts allowable by law, are hereby designated as qualified dividend income for individual shareholders for the fiscal year.

Fund	(\$000)
Real Estate Index Fund	46,269
Real Estate II Index Fund	6,113

The following amounts, or if subsequently determined to be different, the maximum amounts allowable by law, are hereby designated as interest earned from obligations of the U.S. government which is generally exempt from state income tax.

Fund	(\$000)
Real Estate Index Fund	6,237
Real Estate II Index Fund	179

The following amounts, or if subsequently determined to be different, the maximum amounts allowable by law, are hereby designated as qualified business income for individual shareholders for the fiscal year.

Fund	(\$000)
Real Estate Index Fund	1,835,112
Real Estate II Index Fund	243,350



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 210 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](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### **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.

## 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 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). 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.

<sup>1</sup> 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: co-founder and managing partner (2022–present) of Grafton Street Partners (investment advisory firm). 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.

### **Lubos Pastor**

Born in 1974. Trustee since January 2024. Principal occupation(s) during the past five years and other experience: Charles P. McQuaid Distinguished Service Professor of Finance (2023–present) at the University of Chicago Booth School of Business; Charles P. McQuaid Professor of Finance (2009–2023) at the University of Chicago Booth School of Business. Vice president (2024–present) and director (2021–2023) of the Executive Committee of the European Finance Association. Member of the board of the Fama-Miller Center for Research in Finance. Member of the Academic Advisory Board of the Center for Research in Security Prices (CRSP) and of the CRSP Index Advisory Council. Research associate at the National Bureau of Economic Research. Research fellow at the Centre for Economic Policy Research.

### **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 Partners (climate policy advisory services). Member of the board of directors of Arcadia (energy solution technology).

### **Grant Reid**

Born in 1959. Trustee since July 2023. Principal occupation(s) during the past five years and other experience: senior operating partner (2023–present) of CVC Capital (alternative investment manager). Chief executive officer and president (2014–2022) and member of the board of directors (2015–2022) of Mars, Incorporated (multinational manufacturer). Member of the board of directors of Marriott International, Inc. Member of the board of the Sustainable Markets Initiative (environmental services). Chair of the Sustainable Markets Initiative's Agribusiness Task Force.

### **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).

### **Jodi Miller**

Born in 1980. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2022–present) of each of the investment companies served by Vanguard. Head of Enterprise Investment Services (2020–present), head of Retail Client Services and Operations (2020–2022), and head of Retail Strategic Support (2018–2020) 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 (2022–present) 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	Thomas M. Rampulla
Amma Boateng	Karin A. Risi
Joseph Brennan	Anne E. Robinson
Mortimer J. Buckley	Michael Rollings
Gregory Davis	Nitin Tandon
John James	Lauren Valente
Chris D. Mclsaac	



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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](mailto:publicinfo@sec.gov).

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