

Annual Report | January 31, 2022

Vanguard Real Estate Index Funds

Vanguard Real Estate Index Fund

Vanguard Real Estate II Index Fund

Contents

Your Fund's Performance at a Glance 1

About Your Fund's Expenses 2

Real Estate Index Fund 4

Real Estate II Index Fund28

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, 2022, returns for Vanguard Real Estate Index Fund ranged from 28.91% for both Admiral and Institutional Shares to 28.88% for the Real Estate ETF (based on net asset value) and 28.73% for Investor Shares. Vanguard Real Estate II Index Fund returned 28.96%. The results were in line with those of the funds' benchmark index.
- The U.S. economy continued to heal over the 12 months ended January 31, 2022. Vaccination rates rose, the economy reopened, and more workers returned to the labor force. The investment environment grew a little more challenging, however, as COVID-19 variants emerged, inflation surged to levels not seen in decades, and the monetary stance of the Federal Reserve turned less accommodative. U.S. stocks nevertheless finished the period significantly higher.
- Specialized real estate investment trusts (REITs), the funds' largest holding, contributed most to their returns. Retail, residential, and industrial REITs also added to performance.
- For the 10 years ended January 31, 2022, average annual returns for the Real Estate Index Fund ranged from 9.72% for Investor Shares to 9.86% for the Real Estate ETF, 9.87% for Admiral Shares, and 9.89% for Institutional Shares. Vanguard Real Estate II Index Fund launched in September 2017: its average annual return since inception was 9.99%.

Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2022		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	20.32%	20.51%	16.59%
Russell 2000 Index (Small-caps)	-1.21	11.99	9.69
Russell 3000 Index (Broad U.S. market)	18.80	19.93	16.11
FTSE All-World ex US Index (International)	4.20	9.61	8.35
Bonds			
Bloomberg U.S. Aggregate Bond Index (Broad taxable market)	-2.97%	3.67%	3.08%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	-1.89	3.50	3.46
FTSE Three-Month U.S. Treasury Bill Index	0.04	0.89	1.10
CPI			
Consumer Price Index	7.48%	3.76%	2.97%

About Your Fund's Expenses

As a shareholder of the fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of the fund.

A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your fund's costs in two ways:

- **Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund under the heading "Expenses Paid During Period."

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the fund's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the fund for buying and selling securities. Further, the expenses do not include any purchase, redemption, or account service fees described in the fund prospectus. If such fees were applied to your account, your costs would be higher. Your fund does not carry a "sales load."

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the fund's expenses, including annual expense ratios, in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your fund's current prospectus.

Six Months Ended January 31, 2022

	Beginning Account Value 7/31/2021	Ending Account Value 1/31/2022	Expenses Paid During Period
Based on Actual Fund Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,016.40	\$1.27
ETF Shares	1,000.00	1,016.80	0.61
Admiral™ Shares	1,000.00	1,016.90	0.61
Institutional Shares	1,000.00	1,017.10	0.51
Real Estate II Index Fund	\$1,000.00	\$1,017.00	\$0.41
Based on Hypothetical 5% Yearly Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,023.94	\$1.28
ETF Shares	1,000.00	1,024.60	0.61
Admiral Shares	1,000.00	1,024.60	0.61
Institutional Shares	1,000.00	1,024.70	0.51
Real Estate II Index Fund	\$1,000.00	\$1,024.80	\$0.41

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Real Estate Index Fund, 0.25% for Investor Shares, 0.12% for ETF Shares, 0.12% for Admiral Shares, and 0.10% for Institutional Shares; and for the Real Estate II Index Fund, 0.08%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

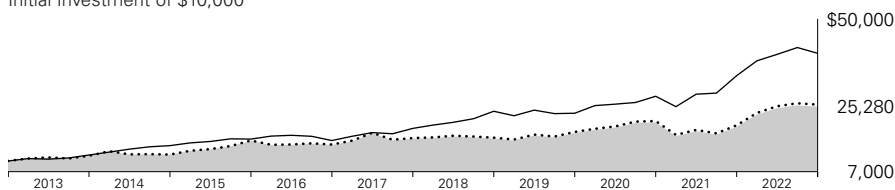
Real Estate Index Fund

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: January 31, 2012, Through January 31, 2022

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended January 31, 2022

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund Investor Shares	28.73%	9.22%	9.72%	\$25,280
Real Estate Spliced Index	29.05	9.47	9.97	25,864
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	16.02	14.96	40,306

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	28.88%	9.35%	9.86%	\$25,606
Real Estate Index Fund Market Price	28.93	9.36	9.86	25,611
Real Estate Spliced Index	29.05	9.47	9.97	25,864
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	16.02	14.96	40,306

See Financial Highlights for dividend and capital gains information.

Real Estate Index Fund

	Average Annual Total Returns Periods Ended January 31, 2022			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Admiral Shares	28.91%	9.37%	9.87%	\$25,635
Real Estate Spliced Index	29.05	9.47	9.97	25,864
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	16.02	14.96	40,306

	Average Annual Total Returns Periods Ended January 31, 2022			Final Value of a \$5,000,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Institutional Shares	28.91%	9.40%	9.89%	\$12,842,995
Real Estate Spliced Index	29.05	9.47	9.97	12,931,931
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	16.02	14.96	20,153,115

Cumulative Returns of ETF Shares: January 31, 2012, Through January 31, 2022

	One Year	Five Years	Ten Years
Real Estate Index Fund Market Price	28.93%	56.41%	156.11%
Real Estate Index Fund ETF Shares Net Asset Value	28.88	56.34	156.06
Real Estate Spliced Index	29.05	57.23	158.64

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

Fund Allocation

As of January 31, 2022

Diversified Real Estate Activities	0.1%
Diversified REITs	3.1
Health Care REITs	8.0
Hotel & Resort REITs	2.5
Industrial REITs	12.5
Office REITs	6.6
Real Estate Development	0.3
Real Estate Operating Companies	0.2
Real Estate Services	4.7
Residential REITs	15.2
Retail REITs	10.8
Specialized REITs	36.0

The table reflects the fund's investments, except for short-term investments. 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, 2022

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (95.2%)					
Diversified REITs (2.7%)					
WP Carey Inc.	8,831,811	685,349	National Health Investors Inc.	2,080,369	120,308
STORE Capital Corp.	11,677,776	370,302	CareTrust REIT Inc.	4,631,734	98,239
Broadstone Net Lease Inc.	7,584,955	175,288	LTC Properties Inc.	1,880,274	67,821
* DigitalBridge Group Inc.	23,522,395	171,713	Community Healthcare Trust Inc.	1,120,704	50,813
PS Business Parks Inc.	986,743	164,747	Global Medical REIT Inc.	2,912,511	49,251
Essential Properties Realty Trust Inc.	5,646,127	149,905	Universal Health Realty Income Trust	658,271	38,377
Washington REIT	4,038,644	99,431	Diversified Healthcare Trust	11,389,165	34,737
American Assets Trust Inc.	2,453,690	88,259			6,009,693
Alexander & Baldwin Inc.	3,462,222	79,458	Hotel & Resort REITs (2.2%)		
¹ iStar Inc.	3,422,613	73,484	* Host Hotels & Resorts Inc.	34,096,212	591,228
Global Net Lease Inc.	4,789,046	68,675	* Ryman Hospitality Properties Inc.	2,497,719	220,798
Empire State Realty Trust Inc. Class A	6,997,963	62,422	* Park Hotels & Resorts Inc.	11,291,151	205,499
Armada Hoffer Properties Inc.	2,910,862	40,839	Apple Hospitality REIT Inc.	10,362,373	167,145
Gladstone Commercial Corp.	1,755,966	40,721	Pebblebrook Hotel Trust	6,273,889	135,830
One Liberty Properties Inc.	795,092	24,250	* Sunstone Hotel Investors Inc.	10,462,522	118,331
		2,294,843	RLJ Lodging Trust	7,955,143	110,179
Health Care REITs (7.1%)			* Xenia Hotels & Resorts Inc.	5,451,905	94,536
Welltower Inc.	20,179,080	1,748,114	* DiamondRock Hospitality Co.	10,054,280	94,008
Ventas Inc.	18,790,171	996,255	Service Properties Trust	7,872,833	67,313
Healthpeak Properties Inc.	25,737,920	910,350	* Summit Hotel Properties Inc.	5,087,829	47,927
Medical Properties Trust Inc.	28,447,561	647,466	* Chatham Lodging Trust	2,329,927	30,918
Omega Healthcare Investors Inc.	11,407,691	359,114	* CorePoint Lodging Inc.	1,955,947	30,728
Healthcare Trust of America Inc. Class A	10,450,666	340,169			1,914,440
Healthcare Realty Trust Inc.	6,950,075	215,591	Industrial REITs (11.1%)		
Physicians Realty Trust	10,382,471	189,584	Prologis Inc.	35,302,084	5,536,073
Sabra Health Care REIT Inc.	10,544,010	143,504	Duke Realty Corp.	18,067,120	1,043,918
			Rexford Industrial Realty Inc.	6,577,602	481,283
			EastGroup Properties Inc.	1,929,552	385,737

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
First Industrial Realty Trust Inc.	6,166,172	374,780	Mid-America Apartment Communities Inc.	5,540,345	1,145,079
Americold Realty Trust	12,467,963	354,714	Sun Communities Inc.	5,534,874	1,045,870
STAG Industrial Inc.	7,737,806	330,636	Essex Property Trust Inc.	3,105,679	1,032,638
Terreno Realty Corp.	3,367,898	251,818	UDR Inc.	14,175,497	805,735
Innovative Industrial Properties Inc.	1,142,512	226,434	Camden Property Trust	4,802,702	768,865
LXP Industrial Trust	13,259,898	197,440	Equity LifeStyle Properties Inc.	8,336,748	652,684
Monmouth Real Estate Investment Corp.	4,457,895	93,571	American Homes 4 Rent Class A	13,848,078	541,875
Industrial Logistics Properties Trust	3,118,484	71,507	Apartment Income REIT Corp.	7,495,771	395,927
Plymouth Industrial REIT Inc.	1,446,895	41,598	American Campus Communities Inc.	6,642,981	347,162
		9,389,509	Independence Realty Trust Inc.	5,021,201	115,437
Office REITs (5.9%)			NexPoint Residential Trust Inc.	1,080,739	85,703
Alexandria Real Estate Equities Inc.	6,912,145	1,346,762	Centerspace	670,904	63,991
Boston Properties Inc.	7,084,908	794,077	UMH Properties Inc.	2,265,395	53,463
Kilroy Realty Corp.	5,005,224	320,335	* Apartment Investment & Management Co. Class A	7,146,854	50,242
Vornado Realty Trust	7,776,010	318,894	Preferred Apartment Communities Inc.	2,503,893	41,765
Cousins Properties Inc.	7,100,708	273,803			11,437,757
Douglas Emmett Inc.	8,378,051	261,563	Retail REITs (9.6%)		
SL Green Realty Corp.	3,207,298	232,593	Simon Property Group Inc.	15,292,589	2,251,069
Highwoods Properties Inc.	4,976,830	214,601	Realty Income Corp.	26,314,674	1,826,501
Hudson Pacific Properties Inc.	7,282,301	172,081	Kimco Realty Corp.	27,805,137	674,553
JBG SMITH Properties	5,669,191	155,336	Regency Centers Corp.	7,300,970	523,845
* Equity Commonwealth Corporate Office Properties Trust	5,364,995	135,520	Federal Realty Investment Trust	3,342,450	426,129
Piedmont Office Realty Trust Inc. Class A	5,927,142	105,266	National Retail Properties Inc.	8,385,914	372,167
Brandywine Realty Trust	8,158,604	104,920	Brixmor Property Group Inc.	14,182,808	359,676
² Easterly Government Properties Inc. Class A	4,308,264	90,343	Spirit Realty Capital Inc.	5,688,073	269,956
Paramount Group Inc.	8,363,641	72,680	Kite Realty Group Trust	10,424,050	217,654
Office Properties Income Trust	2,308,959	58,832	Agree Realty Corp.	3,291,435	215,194
* Veris Residential Inc.	3,474,685	57,332	Macerich Co.	10,173,528	168,270
* Orion Office REIT Inc.	2,633,176	43,816	SITE Centers Corp.	8,064,865	119,441
City Office REIT Inc.	2,080,775	37,100	Retail Opportunity Investments Corp.	5,796,873	107,416
Franklin Street Properties Corp.	4,864,016	26,995	Urban Edge Properties	5,591,733	101,993
^{*,3} New York REIT Liquidating LLC	1,208	14	¹ Tanger Factory Outlet Centers Inc.	4,962,110	84,405
		4,974,476	Acadia Realty Trust	4,221,578	83,545
Other (11.3%)⁴			Getty Realty Corp.	1,815,488	53,866
^{5,6} Vanguard Real Estate II Index Fund	371,450,920	9,542,041	RPT Realty	3,879,491	48,959
Residential REITs (13.5%)			American Finance Trust Inc. Class A	5,632,032	46,521
AvalonBay Communities Inc.	6,667,184	1,628,326	¹ NETSTREIT Corp.	1,887,970	42,668
Equity Residential	16,987,632	1,507,313	Saul Centers Inc.	676,487	33,405
Invitation Homes Inc.	27,529,341	1,155,682	Alexander's Inc.	109,946	28,945

Real Estate Index Fund

	Shares	Market Value* (\$000)	Shares	Market Value* (\$000)
Urstadt Biddle Properties Inc. Class A	1,423,048	28,020		
*.1 Seritage Growth Properties Class A	1,474,978	15,281		
*.3 Spirit MTA REIT	2,071,263	554		
Urstadt Biddle Properties Inc.	16,032	283		
		8,100,316		
Specialized REITs (31.8%)				
American Tower Corp.	21,734,776	5,466,296		
Crown Castle International Corp.	20,639,071	3,766,837		
Equinix Inc.	4,285,935	3,106,874		
Public Storage	7,530,990	2,700,086		
Digital Realty Trust Inc.	13,244,974	1,976,548		
SBA Communications Corp.	5,231,596	1,702,571		
Weyerhaeuser Co.	35,805,597	1,447,620		
Extra Space Storage Inc.	6,389,758	1,266,386		
1 VICI Properties Inc.	29,318,994	839,110		
Iron Mountain Inc.	13,822,747	634,741		
CyrusOne Inc.	5,922,299	532,119		
Life Storage Inc.	3,739,792	504,685		
CubeSmart	9,635,184	488,889		
Gaming & Leisure Properties Inc.	10,629,619	480,246		
Lamar Advertising Co. Class A	4,143,346	458,917		
MGM Growth Properties LLC Class A	7,481,250	290,871		
National Storage Affiliates Trust	4,021,692	247,575		
Rayonier Inc.	6,747,598	246,557		
Outfront Media Inc.	6,955,079	172,764		
PotlatchDeltic Corp.	3,201,011	172,182		
EPR Properties	3,571,138	157,023		
Uniti Group Inc.	11,145,213	134,411		
Four Corners Property Trust Inc.	3,637,483	98,467		
Safehold Inc.	764,271	47,308		
Gladstone Land Corp.	1,421,632	43,331		
*.1 GEO Group Inc.	1,048,653	7,058		
		26,989,472		
Total Equity Real Estate Investment Trusts (REITs) (Cost \$62,400,373)		80,652,547		
Real Estate Management & Development (4.6%)				
Diversified Real Estate Activities (0.1%)				
St. Joe Co.	1,546,280	75,010		
RMR Group Inc. Class A	735,101	23,531		
		98,541		
Real Estate Development (0.2%)				
* Howard Hughes Corp.	1,974,617	190,175		
* Forestar Group Inc.	827,447	16,508		
		206,683		
Real Estate Operating Companies (0.2%)				
Kennedy-Wilson Holdings Inc.	6,049,491	135,871		
* FRP Holdings Inc.	292,523	16,522		
		152,393		
Real Estate Services (4.1%)				
* CBRE Group Inc. Class A	16,032,818	1,624,766		
* Jones Lang LaSalle Inc.	2,421,231	607,221		
* Zillow Group Inc. Class C	7,989,131	403,291		
* Zillow Group Inc. Class A	2,934,302	146,304		
* Cushman & Wakefield plc	6,397,043	134,274		
Newmark Group Inc. Class A	8,324,920	127,455		
* Redfin Corp.	4,160,097	123,014		
* Realogy Holdings Corp.	5,564,994	91,822		
1 eXp World Holdings Inc.	3,145,229	85,361		
* Opendoor Technologies Inc.	5,774,185	57,338		
* Marcus & Millichap Inc. RE/MAX Holdings Inc. Class A	1,134,208	53,092		
	903,113	26,877		
* Douglas Elliman Inc.	3,120,534	24,215		
		3,505,030		
Total Real Estate Management & Development (Cost \$3,643,195)		3,962,647		

Real Estate Index Fund

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.2%)		
Money Market Fund (0.2%)		
^{7,8} Vanguard Market Liquidity Fund, 0.120% (Cost \$147,590)	1,476,263	147,613
Total Investments (100.0%) (Cost \$66,191,158)		84,762,807
Other Assets and Liabilities—Net (0.0%)		(40,906)
Net Assets (100%)		84,721,901

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 \$44,739,000.

2 Considered an affiliated company of the fund as the fund owns more than 5% of the outstanding voting securities of such company.

3 Security value determined using significant unobservable inputs.

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

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

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

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

8 Collateral of \$45,158,000 was received for securities on loan. REIT—Real Estate Investment Trust.

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Digital Realty Trust Inc.	1/31/23	GSI	37,308	(0.120)	—	—
Redfin Corp.	1/31/23	GSI	10,350	(0.068)	—	—
Seritage Growth Properties Class A	1/31/23	GSI	4,103	(0.071)	—	—
Simon Property Group Inc.	1/31/23	GSI	58,880	(0.119)	—	—
					—	—

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

GSI—Goldman Sachs International.

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

Statement of Assets and Liabilities

As of January 31, 2022

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$58,869,490)	74,982,810
Affiliated Issuers (Cost \$233,431)	237,956
Vanguard Real Estate II Index Fund (Cost \$7,088,237)	9,542,041
Total Investments in Securities	84,762,807
Investment in Vanguard	2,603
Cash	1,663
Cash Collateral Pledged—Over-the-Counter Swap Contracts	6,910
Receivables for Investment Securities Sold	27,091
Receivables for Accrued Income	23,225
Receivables for Capital Shares Issued	45,521
Total Assets	84,869,820
Liabilities	
Payables for Investment Securities Purchased	30,755
Collateral for Securities on Loan	45,158
Payables for Capital Shares Redeemed	67,857
Payables to Vanguard	4,149
Total Liabilities	147,919
Net Assets	84,721,901

Statement of Assets and Liabilities (continued)

At January 31, 2022, net assets consisted of:

(\$000s, except shares and per-share amounts)	Amount
Paid-in Capital	68,779,044
Total Distributable Earnings (Loss)	15,942,857
Net Assets	84,721,901

Investor Shares—Net Assets

Applicable to 5,538,616 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	195,875
Net Asset Value Per Share—Investor Shares	\$35.37

ETF Shares—Net Assets

Applicable to 438,503,769 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	46,672,959
Net Asset Value Per Share—ETF Shares	\$106.44

Admiral Shares—Net Assets

Applicable to 170,790,852 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	25,763,726
Net Asset Value Per Share—Admiral Shares	\$150.85

Institutional Shares—Net Assets

Applicable to 517,794,514 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	12,089,341
Net Asset Value Per Share—Institutional Shares	\$23.35

Statement of Operations

Year Ended
January 31, 2022

(\$'000)

Investment Income	
Income	
Dividends—Unaffiliated Issuers	1,314,456
Dividends—Affiliated Issuers	2,163
Dividends—Vanguard Real Estate II Index Fund	173,896
Non-Cash Dividends	83,767
Interest—Affiliated Issuers	86
Securities Lending—Net	1,342
Total Income	1,575,710
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	2,354
Management and Administrative—Investor Shares	493
Management and Administrative—ETF Shares	44,770
Management and Administrative—Admiral Shares	25,824
Management and Administrative—Institutional Shares	10,058
Marketing and Distribution—Investor Shares	15
Marketing and Distribution—ETF Shares	1,155
Marketing and Distribution—Admiral Shares	1,022
Marketing and Distribution—Institutional Shares	395
Custodian Fees	106
Auditing Fees	35
Shareholders' Reports—Investor Shares	1
Shareholders' Reports—ETF Shares	1,295
Shareholders' Reports—Admiral Shares	454
Shareholders' Reports—Institutional Shares	165
Trustees' Fees and Expenses	36
Total Expenses	88,178
Net Investment Income	1,487,532
Realized Net Gain (Loss)	
Capital Gain Distributions Received—Unaffiliated Issuers	354,308
Capital Gain Distributions Received—Affiliated Issuers	172
Capital Gain Distributions Received—Vanguard Real Estate II Index Fund	12,437
Investment Securities Sold—Unaffiliated Issuers ¹	2,120,154
Investment Securities Sold—Affiliated Issuers ¹	1,696
Investment Securities Sold—Vanguard Real Estate II Index Fund	—
Futures Contracts	75
Swap Contracts	18,460
Realized Net Gain (Loss)	2,507,302

Real Estate Index Fund

Statement of Operations (continued)

	Year Ended January 31, 2022
	(\$000)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers	12,124,608
Investment Securities—Affiliated Issuers	(3,689)
Investment Securities—Vanguard Real Estate II Index Fund	1,956,872
Change in Unrealized Appreciation (Depreciation)	14,077,791
Net Increase (Decrease) in Net Assets Resulting from Operations	18,072,625

1 Includes \$2,574,570,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2022 (\$000)	2021 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,487,532	1,355,272
Realized Net Gain (Loss)	2,507,302	1,060,800
Change in Unrealized Appreciation (Depreciation)	14,077,791	(7,797,964)
Net Increase (Decrease) in Net Assets Resulting from Operations	18,072,625	(5,381,892)
Distributions		
Net Investment Income and/or Realized Capital Gains		
Investor Shares	(3,637)	(4,393)
ETF Shares	(811,715)	(714,428)
Admiral Shares	(463,925)	(458,678)
Institutional Shares	(220,900)	(213,294)
Return of Capital		
Investor Shares	(1,874)	(3,129)
ETF Shares	(418,428)	(508,885)
Admiral Shares	(239,147)	(326,715)
Institutional Shares	(113,871)	(151,929)
Total Distributions	(2,273,497)	(2,381,451)
Capital Share Transactions		
Investor Shares	(35,113)	(29,761)
ETF Shares	6,252,486	(1,176,383)
Admiral Shares	1,052,588	(1,182,290)
Institutional Shares	221,639	356,671
Net Increase (Decrease) from Capital Share Transactions	7,491,600	(2,031,763)
Total Increase (Decrease)	23,290,728	(9,795,106)
Net Assets		
Beginning of Period	61,431,173	71,226,279
End of Period	84,721,901	61,431,173

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$28.23	\$31.21	\$27.69	\$26.40	\$27.38
Investment Operations					
Net Investment Income ¹	.602	.586	.719	.787	.761
Net Realized and Unrealized Gain (Loss) on Investments	7.475	(2.498)	3.801	1.639	(.614)
Total from Investment Operations	8.077	(1.912)	4.520	2.426	.147
Distributions					
Dividends from Net Investment Income	(.620)	(.624)	(.752)	(.851)	(.788)
Distributions from Realized Capital Gains	—	—	—	—	(.011)
Return of Capital	(.317)	(.444)	(.248)	(.285)	(.328)
Total Distributions	(.937)	(1.068)	(1.000)	(1.136)	(1.127)
Net Asset Value, End of Period	\$35.37	\$28.23	\$31.21	\$27.69	\$26.40
Total Return²	28.73%	-5.88%	16.59%	9.53%	0.45%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$196	\$188	\$243	\$1,871	\$2,143
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.25%	0.26%
Ratio of Net Investment Income to Average Net Assets	1.77%	2.18%	2.48%	3.02%	2.87%
Portfolio Turnover Rate ³	7%	8%	6%	24%	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 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,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$84.96	\$93.93	\$83.36	\$79.47	\$82.43
Investment Operations					
Net Investment Income ¹	1.960	1.889	2.335	2.487	2.499
Net Realized and Unrealized Gain (Loss) on Investments	22.486	(7.525)	11.379	4.934	(1.945)
Total from Investment Operations	24.446	(5.636)	13.714	7.421	.554
Distributions					
Dividends from Net Investment Income	(1.943)	(1.947)	(2.364)	(2.646)	(2.458)
Distributions from Realized Capital Gains	—	—	—	—	(.034)
Return of Capital	(1.023)	(1.387)	(.780)	(.885)	(1.022)
Total Distributions	(2.966)	(3.334)	(3.144)	(3.531)	(3.514)
Net Asset Value, End of Period	\$106.44	\$84.96	\$93.93	\$83.36	\$79.47
Total Return	28.88%	-5.80%	16.70%	9.70%	0.59%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$46,673	\$32,064	\$37,682	\$30,857	\$32,377
Ratio of Total Expenses to Average Net Assets	0.12%	0.12%	0.12%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	1.90%	2.33%	2.60%	3.15%	3.01%
Portfolio Turnover Rate ²	7%	8%	6%	24%	6%

1 Calculated based on average shares outstanding.

2 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,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$120.40	\$133.12	\$118.14	\$112.63	\$116.83
Investment Operations					
Net Investment Income ¹	2.761	2.677	3.315	3.507	3.538
Net Realized and Unrealized Gain (Loss) on Investments	31.890	(10.672)	16.121	7.008	(2.761)
Total from Investment Operations	34.651	(7.995)	19.436	10.515	.777
Distributions					
Dividends from Net Investment Income	(2.770)	(2.759)	(3.350)	(3.751)	(3.483)
Distributions from Realized Capital Gains	—	—	—	—	(.048)
Return of Capital	(1.431)	(1.966)	(1.106)	(1.254)	(1.447)
Total Distributions	(4.201)	(4.725)	(4.456)	(5.005)	(4.978)
Net Asset Value, End of Period	\$150.85	\$120.40	\$133.12	\$118.14	\$112.63
Total Return²	28.91%	-5.74%	16.73%	9.69%	0.58%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$25,764	\$19,702	\$23,274	\$18,223	\$17,757
Ratio of Total Expenses to Average Net Assets	0.12%	0.12%	0.12%	0.11%	0.12%
Ratio of Net Investment Income to Average Net Assets	1.90%	2.33%	2.60%	3.16%	3.01%
Portfolio Turnover Rate ³	7%	8%	6%	24%	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 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,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$18.64	\$20.60	\$18.28	\$17.43	\$18.08
Investment Operations					
Net Investment Income ¹	.432	.421	.518	.543	.568
Net Realized and Unrealized Gain (Loss) on Investments	4.933	(1.646)	2.496	1.085	(.444)
Total from Investment Operations	5.365	(1.225)	3.014	1.628	.124
Distributions					
Dividends from Net Investment Income	(.432)	(.429)	(.522)	(.583)	(.542)
Distributions from Realized Capital Gains	—	—	—	—	(.007)
Return of Capital	(.223)	(.306)	(.172)	(.195)	(.225)
Total Distributions	(.655)	(.735)	(.694)	(.778)	(.774)
Net Asset Value, End of Period	\$23.35	\$18.64	\$20.60	\$18.28	\$17.43
Total Return	28.91%	-5.68%	16.77%	9.70%	0.60%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$12,089	\$9,478	\$10,027	\$8,206	\$8,176
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.09%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.92%	2.37%	2.63%	3.18%	3.03%
Portfolio Turnover Rate ²	7%	8%	6%	24%	6%

1 Calculated based on average shares outstanding.

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

Notes to Financial Statements

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

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

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially 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 board of trustees to represent fair value. Investments in affiliated Vanguard funds 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, 2022, the fund's average investments in long and short futures contracts represented 0% and less than 1% 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, 2022.

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

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the fund. The fund's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The fund mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the fund may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

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

During the year ended January 31, 2022, 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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, 2022, 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 investment securities, and management's estimates of such amounts for investment security distributions for which actual information has not been reported. Income, capital gain, and return of capital distributions received from affiliated Vanguard funds are recorded on ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

Each class of shares has equal rights as to assets and earnings, except that each class separately bears certain class-specific expenses related to maintenance of shareholder accounts (included in Management and Administrative expenses) and shareholder reporting. Marketing and distribution expenses are allocated to each class of shares based on a method approved by the board of trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2022, the fund had contributed to Vanguard capital in the amount of \$2,603,000, representing less than 0.01% of the fund's net assets and 1.04% 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, 2022, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	84,614,626	—	568	84,615,194
Temporary Cash Investments	147,613	—	—	147,613
Total	84,762,239	—	568	84,762,807
Derivative Financial Instruments				
Assets				
Swap Contracts	—	—	—	—

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 in-kind redemptions and swap agreements were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	2,587,200
Total Distributable Earnings (Loss)	(2,587,200)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales. 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	—
Capital Loss Carryforwards	(2,552,105)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	18,385,812

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2022 Amount (\$000)	2021 Amount (\$000)
Ordinary Income*	1,500,177	1,390,793
Long-Term Capital Gains	—	—
Return of Capital	773,321	990,658
Total	2,273,498	2,381,451

* Includes short-term capital gains, if any.

As of January 31, 2022, 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	66,376,995
Gross Unrealized Appreciation	22,392,660
Gross Unrealized Depreciation	(4,006,848)
Net Unrealized Appreciation (Depreciation)	18,385,812

E. During the year ended January 31, 2022, the fund purchased \$19,126,871,000 of investment securities and sold \$11,774,593,000 of investment securities, other than temporary cash investments. Purchases and sales include \$12,141,128,000 and \$6,040,747,000, 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, 2022, such purchases were \$46,697,000 and sales were \$26,976,000, resulting in net realized loss of \$5,125,000; 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,			
	2022		2021	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	40,853	1,192	16,000	586
Issued in Lieu of Cash Distributions	5,511	161	7,522	282
Redeemed	(81,477)	(2,463)	(53,283)	(2,013)
Net Increase (Decrease)—Investor Shares	(35,113)	(1,110)	(29,761)	(1,145)

Real Estate Index Fund

	Year Ended January 31,			
	2022		2021	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	12,323,320	119,786	8,299,471	100,643
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(6,070,834)	(58,700)	(9,475,854)	(124,400)
Net Increase (Decrease)—ETF Shares	6,252,486	61,086	(1,176,383)	(23,757)
Admiral Shares				
Issued	4,265,102	29,377	3,229,939	28,465
Issued in Lieu of Cash Distributions	616,726	4,188	688,666	6,053
Redeemed	(3,829,240)	(26,405)	(5,100,895)	(45,719)
Net Increase (Decrease)—Admiral Shares	1,052,588	7,160	(1,182,290)	(11,201)
Institutional Shares				
Issued	2,230,405	98,845	1,959,562	112,493
Issued in Lieu of Cash Distributions	311,998	13,695	343,567	19,520
Redeemed	(2,320,764)	(103,325)	(1,946,458)	(110,090)
Net Increase (Decrease)—Institutional Shares	221,639	9,215	356,671	21,923

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

	Current Period Transactions							
	Jan. 31, 2021 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold ¹ (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Jan. 31, 2022 Market Value (\$000)
Easterly Government Properties Inc.	NA ²	26,042	10,207	1,662	(3,637)	2,163	163	90,343
Vanguard Market Liquidity Fund	353,714	NA ³	NA ³	34	(52)	86	9	147,613
Vanguard Real Estate II Index Fund	7,399,530	263,123	—	—	1,956,872	173,896	12,437	9,542,041
Total	7,753,244	289,165	10,207	1,696	1,953,183	176,145	12,609	9,779,997

1 Does not include adjustments related to return of capital.

2 Not applicable—at January 31, 2021, the issuer was not an affiliated company of the fund.

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

H. Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets and thus

performance of the fund; at this time, an aggregate effect on assets and performance cannot be reasonably estimated. Management is continuing to monitor these developments and evaluate impacts they may have on the fund.

Management has determined that no other events or transactions occurred subsequent to January 31, 2022, that would require recognition or disclosure in these financial statements.

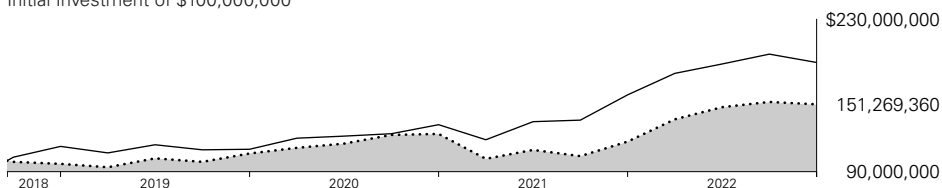
Real Estate II Index Fund

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: September 26, 2017, Through January 31, 2022

Initial Investment of \$100,000,000



Average Annual Total Returns Periods Ended January 31, 2022

	One Year	Since Inception (9/26/2017)	Final Value of a \$100,000,000 Investment
Real Estate II Index Fund	28.96%	9.99%	\$151,269,360
Real Estate Spliced Index	29.05	10.06	151,683,300
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	15.91	190,031,180

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, 2022

Diversified Real Estate Activities	0.1%
Diversified REITs	3.1
Health Care REITs	8.0
Hotel & Resort REITs	2.5
Industrial REITs	12.4
Office REITs	6.6
Real Estate Development	0.3
Real Estate Operating Companies	0.2
Real Estate Services	4.7
Residential REITs	15.2
Retail REITs	10.9
Specialized REITs	36.0

The table reflects the fund's investments, except for short-term investments. 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, 2022

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (94.6%)					
Diversified REITs (3.0%)					
WP Carey Inc.	1,121,058	86,994			
STORE Capital Corp.	1,482,344	47,005			
Broadstone Net Lease Inc.	963,505	22,267			
* DigitalBridge Group Inc.	2,987,563	21,809			
PS Business Parks Inc.	125,327	20,925			
Essential Properties Realty Trust Inc.	717,591	19,052			
Washington REIT	512,488	12,618			
American Assets Trust Inc.	311,378	11,200			
Alexander & Baldwin Inc.	438,620	10,066			
iStar Inc.	434,384	9,326			
Global Net Lease Inc.	609,423	8,739			
Empire State Realty Trust Inc. Class A	888,129	7,922			
Armada Hoffer Properties Inc.	370,104	5,193			
Gladstone Commercial Corp.	223,424	5,181			
One Liberty Properties Inc.	100,488	3,065			
		291,362			
Health Care REITs (8.0%)					
Welltower Inc.	2,561,517	221,904			
Ventas Inc.	2,385,234	126,465			
Healthpeak Properties Inc.	3,267,061	115,556			
Medical Properties Trust Inc.	3,611,117	82,189			
Omega Healthcare Investors Inc.	1,448,002	45,583			
Healthcare Trust of America Inc. Class A	1,326,645	43,182			
Healthcare Realty Trust Inc.	882,449	27,374			
Physicians Realty Trust	1,318,480	24,076			
Sabra Health Care REIT Inc.	1,337,052	18,197			
National Health Investors Inc.	263,791	15,255			
CareTrust REIT Inc.	587,685	12,465			
LTC Properties Inc.	238,652	8,608			
Community Healthcare Trust Inc.	142,218	6,448			
Global Medical REIT Inc.	369,554	6,249			
Universal Health Realty Income Trust	83,799	4,886			
Diversified Healthcare Trust	1,442,161	4,399			
					762,836
Hotel & Resort REITs (2.5%)					
* Host Hotels & Resorts Inc.	4,328,996	75,065			
* Ryman Hospitality Properties Inc.	317,236	28,044			
Apple Hospitality REIT Inc.	1,316,203	21,230			
* Park Hotels & Resorts Inc.	1,034,250	18,823			
Pebblebrook Hotel Trust	795,462	17,222			
* Sunstone Hotel Investors Inc.	1,325,788	14,995			
RLJ Lodging Trust	1,009,138	13,976			
* Xenia Hotels & Resorts Inc.	691,847	11,997			
* DiamondRock Hospitality Co.	1,275,857	11,929			
Service Properties Trust	997,984	8,533			
* Summit Hotel Properties Inc.	644,236	6,069			
* Chatham Lodging Trust	294,959	3,914			
* CorePoint Lodging Inc.	247,776	3,892			
					235,689
Industrial REITs (12.4%)					
Prologis Inc.	4,481,166	702,737			
Duke Realty Corp.	2,293,358	132,510			
Rexford Industrial Realty Inc.	834,916	61,091			
EastGroup Properties Inc.	244,927	48,963			
First Industrial Realty Trust Inc.	782,769	47,577			
STAG Industrial Inc.	982,239	41,971			
Americold Realty Trust	1,332,769	37,917			
Terreno Realty Corp.	427,597	31,971			
Innovative Industrial Properties Inc.	145,115	28,760			
LXP Industrial Trust	1,684,078	25,076			

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Monmouth Real Estate Investment Corp.	565,683	11,874	Independence Realty Trust Inc.	636,330	14,629
Industrial Logistics Properties Trust	395,586	9,071	NexPoint Residential Trust Inc.	137,484	10,903
Plymouth Industrial REIT Inc.	183,830	5,285	Centerspace	84,999	8,107
		1,184,803	UMH Properties Inc.	286,995	6,773
Office REITs (6.6%)			* Apartment Investment & Management Co. Class A Preferred Apartment Communities Inc.	906,153	6,370
Alexandria Real Estate Equities Inc.	877,402	170,953		318,474	5,312
Boston Properties Inc.	899,343	100,798			1,451,840
Kilroy Realty Corp.	635,364	40,663	Retail REITs (10.9%)		
Vornado Realty Trust	987,119	40,482	Simon Property Group Inc.	1,991,972	293,218
Cousins Properties Inc.	901,371	34,757	Realty Income Corp.	3,340,321	231,852
Douglas Emmett Inc.	1,063,787	33,211	Kimco Realty Corp.	3,530,107	85,640
SL Green Realty Corp.	407,153	29,527	Regency Centers Corp.	926,748	66,494
Highwoods Properties Inc.	631,834	27,245	Federal Realty Investment Trust	424,271	54,090
Hudson Pacific Properties Inc.	925,016	21,858	National Retail Properties Inc.	1,064,497	47,242
JBG SMITH Properties	718,889	19,698	Brixmor Property Group Inc.	1,800,552	45,662
* Equity Commonwealth Corporate Office Properties Trust	680,114	17,180	Spirit Realty Capital Inc.	722,047	34,268
Piedmont Office Realty Trust Inc. Class A	753,490	13,382	Kite Realty Group Trust	1,323,840	27,642
Brandywine Realty Trust	1,037,974	13,348	Agree Realty Corp.	417,935	27,325
Easterly Government Properties Inc. Class A	546,565	11,461	Macerich Co.	1,292,314	21,375
Paramount Group Inc.	1,061,120	9,221	SITE Centers Corp.	1,022,246	15,140
Office Properties Income Trust	292,482	7,452	Retail Opportunity Investments Corp.	735,405	13,627
* Veris Residential Inc.	440,029	7,261	Urban Edge Properties	709,580	12,943
* Orion Office REIT Inc.	333,914	5,556	Tanger Factory Outlet Centers Inc.	629,716	10,712
City Office REIT Inc.	264,201	4,711	Acadia Realty Trust	535,742	10,603
Franklin Street Properties Corp.	618,311	3,432	Getty Realty Corp.	230,717	6,845
		631,470	RPT Realty	491,814	6,207
Residential REITs (15.2%)			American Finance Trust Inc. Class A	714,087	5,898
AvalonBay Communities Inc.	846,309	206,694	NETSTREIT Corp.	239,689	5,417
Equity Residential	2,156,380	191,336	Saul Centers Inc.	86,124	4,253
Invitation Homes Inc.	3,494,440	146,697	Alexander's Inc.	13,920	3,665
Mid-America Apartment Communities Inc.	703,278	145,354	Urstadt Biddle Properties Inc. Class A	183,406	3,611
Sun Communities Inc.	702,588	132,761	* Seritage Growth Properties Class A	238,312	2,469
Essex Property Trust Inc.	394,233	131,082	*.1 Spirit MTA REIT	257,871	69
UDR Inc.	1,799,378	102,277			1,036,267
Camden Property Trust	609,641	97,597	Specialized REITs (36.0%)		
Equity LifeStyle Properties Inc.	1,058,233	82,849	American Tower Corp.	2,758,978	693,883
American Homes 4 Rent Class A	1,757,807	68,783	Crown Castle International Corp.	2,619,900	478,158
Apartment Income REIT Corp.	951,517	50,259	Equinix Inc.	544,052	394,383
American Campus Communities Inc.	843,044	44,057	Public Storage	955,971	342,744
			Digital Realty Trust Inc.	1,713,044	255,638
			SBA Communications Corp.	664,093	216,122
			Weyerhaeuser Co.	4,545,096	183,758

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Extra Space Storage Inc.	811,102	160,752	Real Estate Services (4.7%)		
VICI Properties Inc.	3,721,651	106,514	* CBRE Group Inc. Class A	2,035,254	206,253
Iron Mountain Inc.	1,754,644	80,573	* Jones Lang LaSalle Inc.	307,376	77,087
CyrusOne Inc.	751,769	67,546	* Zillow Group Inc. Class C	1,013,871	51,180
Life Storage Inc.	474,723	64,064	* Zillow Group Inc. Class A	372,782	18,587
CubeSmart	1,223,082	62,059	* Cushman & Wakefield plc	811,054	17,024
Gaming & Leisure Properties Inc.	1,348,786	60,938	* Redfin Corp.	573,329	16,953
Lamar Advertising Co. Class A	525,949	58,254	Newmark Group Inc. Class A	1,055,351	16,157
MGM Growth Properties LLC Class A	949,641	36,922	* Realogy Holdings Corp.	706,332	11,655
National Storage Affiliates Trust	510,616	31,434	* eXp World Holdings Inc.	399,049	10,830
Rayonier Inc.	856,885	31,311	* Opendoor Technologies Inc.	732,708	7,276
Outfront Media Inc.	883,317	21,942	* Marcus & Millichap Inc. Class A	143,729	6,728
PotlatchDeltic Corp.	406,749	21,879	* RE/MAX Holdings Inc. Class A	114,415	3,405
EPR Properties	453,901	19,958	* Douglas Elliman Inc.	395,541	3,069
Uniti Group Inc.	1,412,951	17,040			446,204
Four Corners Property Trust Inc.	461,514	12,493	Total Real Estate Management & Development (Cost \$434,095)		
Safhold Inc.	96,802	5,992			504,314
Gladstone Land Corp.	180,569	5,504	Temporary Cash Investments (0.1%)		
* GEO Group Inc.	132,759	894	Money Market Fund (0.1%)		
		3,430,755	² Vanguard Market Liquidity Fund, 0.120% (Cost \$13,445)	134,466	13,445
Total Equity Real Estate Investment Trusts (REITs) (Cost \$6,638,121)		9,025,022	Total Investments (100.0%) (Cost \$7,085,661)		
Real Estate Management & Development (5.3%)					9,542,781
Diversified Real Estate Activities (0.1%)			Other Assets and Liabilities—Net (0.0%)		
St. Joe Co.	195,896	9,503			(740)
RMR Group Inc. Class A	93,403	2,990	Net Assets (100%)		
		12,493			9,542,041
Real Estate Development (0.3%)			Cost is in \$000.		
* Howard Hughes Corp.	250,809	24,156	• See Note A in Notes to Financial Statements.		
* Forestar Group Inc.	105,328	2,101	* Non-income-producing security.		
		26,257	1 Security value determined using significant unobservable inputs.		
Real Estate Operating Companies (0.2%)			2 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
Kennedy-Wilson Holdings Inc.	768,643	17,263	REIT—Real Estate Investment Trust.		
* FRP Holdings Inc.	37,125	2,097			
		19,360			

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Americold Realty Trust	1/31/23	GSI	7,113	(0.070)	—	—
Park Hotels & Resorts Inc.	1/31/23	GSI	7,280	(0.070)	—	—
					—	—

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

Statement of Assets and Liabilities

As of January 31, 2022

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$7,072,216)	9,529,336
Affiliated Issuers (Cost \$13,445)	13,445
Total Investments in Securities	9,542,781
Investment in Vanguard	334
Cash Collateral Pledged—Over-the-Counter Swap Contracts	1,370
Receivables for Investment Securities Sold	3,463
Receivables for Accrued Income	2,948
Total Assets	9,550,896
Liabilities	
Payables for Investment Securities Purchased	8,523
Payables to Vanguard	332
Total Liabilities	8,855
Net Assets	9,542,041

At January 31, 2022, net assets consisted of:

Paid-in Capital	7,088,758
Total Distributable Earnings (Loss)	2,453,283
Net Assets	9,542,041

Net Assets	
Applicable to 371,450,920 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	9,542,041
Net Asset Value Per Share	\$25.69

Statement of Operations

Year Ended
January 31, 2022

(\$'000)

Investment Income	
Income	
Dividends	173,127
Non-Cash Dividends	10,899
Interest ¹	5
Securities Lending—Net	140
Total Income	184,171
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,072
Management and Administrative	6,027
Marketing and Distribution	112
Custodian Fees	22
Auditing Fees	39
Shareholders' Reports	—
Trustees' Fees and Expenses	2
Total Expenses	7,274
Net Investment Income	176,897
Realized Net Gain (Loss)	
Capital Gain Distributions Received	46,985
Investment Securities Sold ¹	8,870
Futures Contracts	9
Swap Contracts	(2,480)
Realized Net Gain (Loss)	53,384
Change in Unrealized Appreciation (Depreciation) of Investment Securities¹	1,912,230
Net Increase (Decrease) in Net Assets Resulting from Operations	2,142,511

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$5,000, \$3,000, and (\$5,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2022	2021
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	176,897	165,977
Realized Net Gain (Loss)	53,384	(9,691)
Change in Unrealized Appreciation (Depreciation)	1,912,230	(604,377)
Net Increase (Decrease) in Net Assets Resulting from Operations	2,142,511	(448,091)
Distributions		
Net Investment Income and/or Realized Capital Gains	(186,333)	(163,444)
Return of Capital	(76,790)	(119,057)
Total Distributions	(263,123)	(282,501)
Capital Share Transactions		
Issued	—	—
Issued in Lieu of Cash Distributions	263,123	282,501
Redeemed	—	—
Net Increase (Decrease) from Capital Share Transactions	263,123	282,501
Total Increase (Decrease)	2,142,511	(448,091)
Net Assets		
Beginning of Period	7,399,530	7,847,621
End of Period	9,542,041	7,399,530

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,				September 26, 2017 ¹ to January 31, 2018
	2022	2021	2020	2019	
Net Asset Value, Beginning of Period	\$20.50	\$22.64	\$20.10	\$19.17	\$20.00
Investment Operations					
Net Investment Income ²	.484	.471	.571	.611	.268
Net Realized and Unrealized Gain (Loss) on Investments	5.427	(1.808)	2.752	1.176	(.834)
Total from Investment Operations	5.911	(1.337)	3.323	1.787	(.566)
Distributions					
Dividends from Net Investment Income	(.477)	(.465)	(.590)	(.626)	(.225)
Distributions from Realized Capital Gains	(.034)	—	—	—	(.030)
Return of Capital	(.210)	(.338)	(.193)	(.231)	(.009)
Total Distributions	(.721)	(.803)	(.783)	(.857)	(.264)
Net Asset Value, End of Period	\$25.69	\$20.50	\$22.64	\$20.10	\$19.17
Total Return	28.96%	-5.70%	16.78%	9.68%	-2.89%
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	\$9,542	\$7,400	\$7,848	\$6,719	\$6,126
Ratio of Total Expenses to Average Net Assets	0.08%	0.08%	0.08%	0.08%	0.08% ³
Ratio of Net Investment Income to Average Net Assets	1.95%	2.41%	2.63%	3.22%	3.84% ³
Portfolio Turnover Rate	6%	4%	3%	23%	1%

1 Inception.

2 Calculated based on average shares outstanding.

3 Annualized.

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, 2022, the Real Estate Index Fund was the record and beneficial owner of 100% 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.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially 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 board of trustees to represent fair value. 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, 2022, the fund's average investments in long and short futures contracts represented 0% and less than 1% 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, 2022.

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

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the fund. The fund's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The fund mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the fund may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

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

During the year ended January 31, 2022, 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 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, 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; these fees 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 a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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, 2022, 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 investment securities, and management’s estimates of such amounts for investment security 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, 2022, the fund had contributed to Vanguard capital in the amount of \$334,000, representing less than 0.01% of the fund’s net assets and 0.13% 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, 2022, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	9,529,267	—	69	9,529,336
Temporary Cash Investments	13,445	—	—	13,445
Total	9,542,712	—	69	9,542,781
Derivative Financial Instruments				
Assets				
Swap Contracts	—	—	—	—

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 swap agreements and designation of dividends paid were reclassified between the individual components of total distributable earnings (loss).

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales. 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	—
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	2,439,340

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2022 Amount (\$000)	2021 Amount (\$000)
Ordinary Income*	180,753	163,444
Long-Term Capital Gains	5,580	—
Return of Capital	76,790	119,057
Total	263,123	282,501

* Includes short-term capital gains, if any.

As of January 31, 2022, 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	7,103,441
Gross Unrealized Appreciation	2,993,240
Gross Unrealized Depreciation	(553,900)
Net Unrealized Appreciation (Depreciation)	2,439,340

E. During the year ended January 31, 2022, the fund purchased \$749,749,000 of investment securities and sold \$507,539,000 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, 2022, such purchases were \$6,341,000 and sales were \$4,072,000, resulting in net realized loss of \$210,000; 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,	
	2022 Shares (000)	2021 Shares (000)
Issued	—	—
Issued in Lieu of Cash Distributions	10,506	14,371
Redeemed	—	—
Net Increase (Decrease) in Shares Outstanding	10,506	14,371

G. Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets and thus performance of the fund; at this time, an aggregate effect on assets and performance cannot be reasonably estimated. Management is continuing to monitor these developments and evaluate impacts they may have on the fund.

Management has determined that no other events or transactions occurred subsequent to January 31, 2022, 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, 2022, the related statements of operations for the year ended January 31, 2022, the statements of changes in net assets for each of the two years in the period ended January 31, 2022, including the related notes, and the financial highlights for each of the periods indicated therein (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, 2022, 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, 2022 and each of the financial highlights for each of the periods indicated therein 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, 2022 by correspondence with the custodian, transfer agent and brokers; when replies were not received from the transfer agent or brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 23, 2022

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

Special 2021 tax information (unaudited) for Vanguard Real Estate Index Fund

This information for the fiscal year ended January 31, 2022, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$40,749,000 of qualified dividend income to shareholders during the fiscal year.

The fund distributed \$1,310,711,000 of qualified business income to shareholders during the fiscal year.

Special 2021 tax information (unaudited) for Vanguard Real Estate II Index Fund

This information for the fiscal year ended January 31, 2022, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$4,444,000 of qualified dividend income to shareholders during the fiscal year.

For nonresident alien shareholders, 100% of short-term capital gain dividends distributed by the funds are qualified short-term capital gains.

The fund distributed \$5,580,000 as capital gain dividends (from net long-term capital gains) to shareholders during the fiscal year. The fund designates \$5,580,000 of its capital gain dividends as 20% rate gain distributions and \$0 as unrecaptured section 1250 gain distributions (25% rate gain).

The fund distributed \$156,582,000 of qualified business income to shareholders during the fiscal year.

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

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

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

This page intentionally left blank.

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 217 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at vanguard.com.

Interested Trustee¹

Mortimer J. Buckley

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

Independent Trustees

Tara Bunch

Born in 1962. Trustee since November 2021. Principal occupation(s) during the past five years and other experience: head of global operations at Airbnb (2020–present). Vice president of AppleCare (2012–2020). Member of the board of directors of Out & Equal (2002–2006), the advisory board of the University of California, Berkeley School of Engineering (2020–present), and the advisory board of Santa Clara University's Leavey School of Business (2018–present).

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.

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

Amy Gutmann

Born in 1949. Trustee since June 2006. Principal occupation(s) during the past five years and other experience: president (2004–present) of the University of Pennsylvania. Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and professor of communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania.

F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services). 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.

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: adjunct professor of finance at the University of Notre Dame (2020–present). Chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Assistant professor (retired June 2020) of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Member of the board of Catholic Investment Services, Inc. (investment advisors), the board of superintendence of the Institute for the Works of Religion, 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. Member of the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, and the NewYork-Presbyterian Hospital.

André F. Perold

Born in 1952. Trustee since December 2004. Principal occupation(s) during the past five years and other experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011). Chief investment officer and co-managing partner of HighVista Strategies (private investment firm). Member of the board (2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

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 V. Brown Distinguished Professor of the Practice of Law (2021–present), professor (2020–present), Distinguished Fellow of the Global Financial Markets Center (2020–present), and Rubenstein Fellow (2017–2020) at Duke University. Trustee (2017–present) of Amherst College and member of Amherst College Investment Committee (2019–present). Member of the Regenerative Crisis Response Committee (2020–present).

David A. 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 (2013–present). Trustee of Common Fund (2019–present).

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

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–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

David Cermak

Born in 1960. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present) of each of the investment companies served by Vanguard. Managing director and head (2017–present) of Vanguard Investments Singapore. Managing director and head (2017–2019) of Vanguard Investments Hong Kong. Representative director and head (2014–2017) of Vanguard Investments Japan.

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).

Peter Mahoney

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

Anne E. Robinson

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

Michael Rollings

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

John E. Schadt

Born in 1972. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2019–present) of Vanguard and of each of the investment companies served by Vanguard. Assistant vice president (2019–present) of Vanguard Marketing Corporation.

Vanguard Senior Management Team

Matthew Benchener

Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

John T. Marcante

Chris D. McIsaac

Thomas M. Rampulla

Karin A. Risi

Anne E. Robinson

Michael Rollings

Nitin Tandon

Lauren Valente



Connect with Vanguard® > [vanguard.com](https://www.vanguard.com)

Fund Information > 800-662-7447

Direct Investor Account Services > 800-662-2739

Institutional Investor Services > 800-523-1036

**Text Telephone for People
Who Are Deaf or Hard of Hearing** > 800-749-7273

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

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

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, www.sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either [vanguard.com/proxyreporting](https://www.vanguard.com/proxyreporting) or www.sec.gov.

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

Source for Bloomberg indexes: Bloomberg Index Services Limited. Copyright 2022, Bloomberg. All rights reserved.

© 2022 The Vanguard Group, Inc.
All rights reserved.
U.S. Patent No. 6,879,964.
Vanguard Marketing Corporation, Distributor.

Q1230 032022