

Annual Report | August 31, 2023

Vanguard U.S. Sector Index Funds

Vanguard Communication Services Index Fund

Vanguard Consumer Discretionary Index Fund

Vanguard Consumer Staples Index Fund

Vanguard Energy Index Fund

Vanguard Financials Index Fund

Vanguard Health Care Index Fund

Vanguard Industrials Index Fund

Vanguard Information Technology Index Fund

Vanguard Materials Index Fund

Vanguard Utilities Index Fund

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

Important information about shareholder reports

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

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

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Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus.

Your Fund’s Performance at a Glance

- For the 12 months ended August 31, 2023, returns for the Vanguard U.S. Sector Index Funds ranged from about –13% to more than 28%. All 10 funds closely tracked their target indexes.
- Early in the period, inflation in many developed markets began to ease off multidecade highs but remained stubbornly high in some sectors—including services, which felt the effects of a tight labor market. While aggressive interest rate hikes by many major central banks, including the Federal Reserve, fanned fears of recession, the economy proved more resilient than expected.
- Returns were strongest for Vanguard Information Technology Index (+28.47%) and Industrials Index (+19.99%) Funds. At the low end were Vanguard Utilities Index (–12.73%), Consumer Staples Index (+4.65%), and Financials Index (+5.27%) Funds. (Returns listed are for Admiral Shares.)

Market Barometer

	Average Annual Total Returns Periods Ended August 31, 2023		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	15.40%	9.93%	10.77%
Russell 2000 Index (Small-caps)	4.65	8.12	3.14
Russell 3000 Index (Broad U.S. market)	14.76	9.81	10.25
FTSE All-World ex US Index (International)	12.02	4.49	3.74
Bonds			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	-1.05%	-4.40%	0.55%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	1.70	-1.32	1.52
FTSE Three-Month U.S. Treasury Bill Index	4.44	1.63	1.68
CPI			
Consumer Price Index	3.67%	5.71%	4.02%

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 August 31, 2023

	Beginning Account Value 2/28/2023	Ending Account Value 8/31/2023	Expenses Paid During Period
Based on Actual Fund Return			
Communication Services Index Fund			
ETF Shares	\$1,000.00	\$ 1,211.10	\$0.56
Admiral™ Shares	1,000.00	1,210.90	0.56
Consumer Discretionary Index Fund			
ETF Shares	\$1,000.00	\$1,165.20	\$0.55
Admiral Shares	1,000.00	1,165.10	0.55
Consumer Staples Index Fund			
ETF Shares	\$1,000.00	\$1,040.50	\$0.51
Admiral Shares	1,000.00	1,040.60	0.51
Energy Index Fund			
ETF Shares	\$1,000.00	\$ 1,087.90	\$0.53
Admiral Shares	1,000.00	1,087.90	0.53
Financials Index Fund			
ETF Shares	\$1,000.00	\$ 966.40	\$0.50
Admiral Shares	1,000.00	966.40	0.50
Health Care Index Fund			
ETF Shares	\$1,000.00	\$ 1,047.30	\$0.52
Admiral Shares	1,000.00	1,047.30	0.52
Industrials Index Fund			
ETF Shares	\$1,000.00	\$1,089.60	\$0.53
Admiral Shares	1,000.00	1,089.70	0.53
Information Technology Index Fund			
ETF Shares	\$1,000.00	\$ 1,267.80	\$0.57
Admiral Shares	1,000.00	1,267.80	0.57
Materials Index Fund			
ETF Shares	\$1,000.00	\$ 1,015.30	\$0.51
Admiral Shares	1,000.00	1,015.50	0.51
Utilities Index Fund			
ETF Shares	\$1,000.00	\$ 973.80	\$0.50
Admiral Shares	1,000.00	974.10	0.50

Six Months Ended August 31, 2023

	Beginning Account Value 2/28/2023	Ending Account Value 8/31/2023	Expenses Paid During Period
Based on Hypothetical 5% Yearly Return			
Communication Services Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Consumer Discretionary Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Consumer Staples Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Energy Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Financials Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Health Care Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Industrials Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Information Technology Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Materials Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Utilities Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51

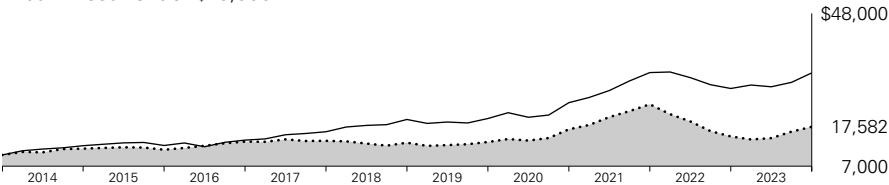
The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Communication Services Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Consumer Discretionary Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Consumer Staples Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Energy Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Financials Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Health Care Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Industrials Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Information Technology Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Materials Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; and for the Utilities Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares. 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).

Communication Services 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Communication Services Index Fund ETF Shares Net Asset Value	17.46%	5.73%	5.81%	\$ 17,582
Communication Services Index Fund ETF Shares Market Price	17.53	5.74	5.81	17,594
Communication Services Spliced Index	17.28	5.73	5.79	17,561
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Communication Services Index Fund Admiral Shares	17.44%	5.73%	5.82%	\$176,008
Communication Services Spliced Index	17.28	5.73	5.79	175,614
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

Communication Services Spliced Index: MSCI US IMI/Telecommunication Services 25/50 through May 2, 2018; MSCI US IMI/Communication Services 25/50 Transition Index through December 2, 2018; MSCI US IMI/Communication Services 25/50 thereafter.

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

	One Year	Five Years	Ten Years
Communication Services Index Fund ETF Shares Market Price	17.53%	32.22%	75.94%
Communication Services Index Fund ETF Shares Net Asset Value	17.46	32.13	75.82
Communication Services Spliced Index	17.28	32.12	75.61

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

Fund Allocation

As of August 31, 2023

Diversified Telecommunication Services	10.7%
Entertainment	21.1
Interactive Media & Services	47.8
Media	17.1
Wireless Telecommunication Services	3.3

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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.

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Communication Services Index Fund

	Shares	Market Value* (\$000)
* Gogo Inc.	256,353	2,909
* United States Cellular Corp.	61,952	2,842
		117,512
Total Common Stocks (Cost \$3,942,048)		3,532,315
Temporary Cash Investments (0.5%)		
Money Market Fund (0.5%)		
^{4,5} Vanguard Market Liquidity Fund, 5.384% (Cost \$16,846)	168,526	16,851
Total Investments (100.3%) (Cost \$3,958,894)		3,549,166
Other Assets and Liabilities—Net (-0.3%)		(10,211)
Net Assets (100.0%)		3,538,955

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 \$10,194,000.

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

3 Security value determined using significant unobservable inputs.

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

5 Collateral of \$11,297,000 was received for securities on loan, of which \$11,239,000 is held in Vanguard Market Liquidity Fund and \$58,000 is held in cash.

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)
Paramount Global Class B	8/30/24	BANA	2,490	(5.320)	—	—
Sirius XM Holdings Inc.	1/31/24	GSI	3,061	(5.320)	—	(193)
					—	(193)

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

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$3,942,048)	3,532,315
Affiliated Issuers (Cost \$16,846)	16,851
Total Investments in Securities	3,549,166
Investment in Vanguard	118
Cash	58
Cash Collateral Pledged—Over-the-Counter Swap Contracts	450
Receivables for Investment Securities Sold	28,038
Receivables for Accrued Income	1,050
Receivables for Capital Shares Issued	192
Total Assets	3,579,072
Liabilities	
Due to Custodian	77
Payables for Investment Securities Purchased	28,261
Collateral for Securities on Loan	11,297
Payables for Capital Shares Redeemed	139
Payables to Vanguard	150
Unrealized Depreciation—Over-the-Counter Swap Contracts	193
Total Liabilities	40,117
Net Assets	3,538,955

¹ Includes \$10,194,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	4,529,100
Total Distributable Earnings (Loss)	(990,145)
Net Assets	3,538,955

ETF Shares—Net Assets

Applicable to 31,295,890 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,424,050
Net Asset Value Per Share—ETF Shares	\$109.41

Admiral Shares—Net Assets

Applicable to 2,060,928 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	114,905
Net Asset Value Per Share—Admiral Shares	\$55.75

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends	28,549
Interest ¹	235
Securities Lending—Net	7,683
Total Income	36,467
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	67
Management and Administrative— ETF Shares	2,285
Management and Administrative— Admiral Shares	72
Marketing and Distribution— ETF Shares	157
Marketing and Distribution— Admiral Shares	5
Custodian Fees	1
Auditing Fees	30
Shareholders' Reports—ETF Shares	159
Shareholders' Reports—Admiral Shares	1
Trustees' Fees and Expenses	1
Other Expenses	49
Total Expenses	2,827
Expenses Paid Indirectly	(2)
Net Expenses	2,825
Net Investment Income	33,642
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	(29,549)
Swap Contracts	(2,804)
Realized Net Gain (Loss)	(32,353)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	458,340
Swap Contracts	239
Change in Unrealized Appreciation (Depreciation)	458,579
Net Increase (Decrease) in Net Assets Resulting from Operations	459,868

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$235,000, \$1,000, less than \$1,000, and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$97,001,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	33,642	35,113
Realized Net Gain (Loss)	(32,353)	301,906
Change in Unrealized Appreciation (Depreciation)	458,579	(2,110,443)
Net Increase (Decrease) in Net Assets Resulting from Operations	459,868	(1,773,424)
Distributions		
ETF Shares	(27,514)	(36,456)
Admiral Shares	(839)	(937)
Total Distributions	(28,353)	(37,393)
Capital Share Transactions		
ETF Shares	290,125	(303,025)
Admiral Shares	29,898	(10,410)
Net Increase (Decrease) from Capital Share Transactions	320,023	(313,435)
Total Increase (Decrease)	751,538	(2,124,252)
Net Assets		
Beginning of Period	2,787,417	4,911,669
End of Period	3,538,955	2,787,417

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$94.12	\$149.87	\$108.04	\$87.24	\$86.83
Investment Operations					
Net Investment Income ¹	1.128	1.110	1.018	1.005	.917
Net Realized and Unrealized Gain (Loss) on Investments	15.127	(55.695)	41.708	20.743	.316
Total from Investment Operations	16.255	(54.585)	42.726	21.748	1.233
Distributions					
Dividends from Net Investment Income	(.965)	(1.165)	(.896)	(.948)	(.823)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.965)	(1.165)	(.896)	(.948)	(.823)
Net Asset Value, End of Period	\$109.41	\$94.12	\$149.87	\$108.04	\$87.24
Total Return	17.46%	-36.61%	39.75%	25.15%	1.47%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,424	\$2,717	\$4,787	\$2,914	\$2,016
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.19%	0.92%	0.80%	1.09%	1.09%
Portfolio Turnover Rate ³	15%	16%	15%	15%	33%

1 Calculated based on average shares outstanding.

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

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

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$47.97	\$76.38	\$55.06	\$44.46	\$44.25
Investment Operations					
Net Investment Income ¹	.591	.572	.519	.512	.470
Net Realized and Unrealized Gain (Loss) on Investments	7.682	(28.388)	21.259	10.571	.157
Total from Investment Operations	8.273	(27.816)	21.778	11.083	.627
Distributions					
Dividends from Net Investment Income	(.493)	(.594)	(.458)	(.483)	(.417)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.493)	(.594)	(.458)	(.483)	(.417)
Net Asset Value, End of Period	\$55.75	\$47.97	\$76.38	\$55.06	\$44.46
Total Return²	17.44%	-36.61%	39.76%	25.16%	1.46%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$115	\$70	\$124	\$67	\$50
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.21%	0.93%	0.79%	1.10%	1.09%
Portfolio Turnover Rate ⁴	15%	16%	15%	15%	33%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

Notes to Financial Statements

Vanguard Communication Services Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three

years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$118,000, representing less than 0.01% of the fund's net assets and 0.05% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$2,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	3,532,315	—	—	3,532,315
Temporary Cash Investments	16,851	—	—	16,851
Total	3,549,166	—	—	3,549,166
Derivative Financial Instruments				
Liabilities				
Swap Contracts	—	193	—	193

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

	Amount (\$000)
Paid-in Capital	96,543
Total Distributable Earnings (Loss)	(96,543)

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

	Amount (\$000)
Undistributed Ordinary Income	8,325
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	(441,840)
Capital Loss Carryforwards	(556,630)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	(990,145)

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	28,353	37,393
Long-Term Capital Gains	—	—
Total	28,353	37,393

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	3,991,006
Gross Unrealized Appreciation	370,661
Gross Unrealized Depreciation	(812,501)
Net Unrealized Appreciation (Depreciation)	(441,840)

F. During the year ended August 31, 2023, the fund purchased \$1,602,546,000 of investment securities and sold \$1,279,434,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,113,576,000 and \$841,376,000, 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 August 31, 2023, such purchases were \$7982,000 and sales were \$1,562,000, resulting in net realized loss of \$389,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	1,133,331	11,775	1,584,130	13,653
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(843,206)	(9,350)	(1,887,155)	(16,725)
Net Increase (Decrease)—ETF Shares	290,125	2,425	(303,025)	(3,072)
Admiral Shares				
Issued	74,117	1,497	39,208	630
Issued in Lieu of Cash Distributions	687	14	787	12
Redeemed	(44,906)	(909)	(50,405)	(809)
Net Increase (Decrease)—Admiral Shares	29,898	602	(10,410)	(167)

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

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

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

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

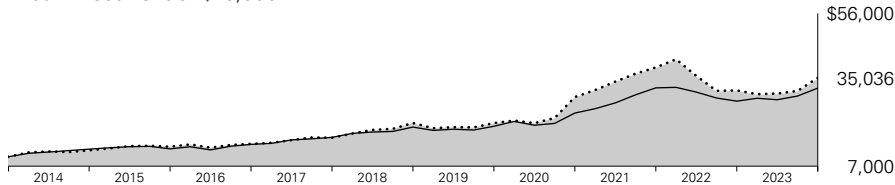
Consumer Discretionary Index Fund

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: August 31, 2013, Through August 31, 2023

Initial Investment of \$10,000



Average Annual Total Returns
Periods Ended August 31, 2023

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Consumer Discretionary Index Fund ETF Shares Net Asset Value	12.75%	11.04%	13.36%	\$35,036
Consumer Discretionary Index Fund ETF Shares Market Price	12.78	11.03	13.36	35,035
Consumer Discretionary Spliced Index	12.82	11.11	13.44	35,302
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Consumer Discretionary Index Fund Admiral Shares	12.75%	11.04%	13.36%	\$350,509
Consumer Discretionary Spliced Index	12.82	11.11	13.44	353,018
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

Consumer Discretionary Spliced Index: MSCI US IMI/Consumer Discretionary 25/50 through May 2, 2018; MSCI US IMI/Consumer Discretionary 25/50 Transition Index through December 2, 2018; MSCI US IMI/Consumer Discretionary 25/50 thereafter.

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

	One Year	Five Years	Ten Years
Consumer Discretionary Index Fund ETF Shares Market Price	12.78%	68.76%	250.35%
Consumer Discretionary Index Fund ETF Shares Net Asset Value	12.75	68.78	250.36
Consumer Discretionary Spliced Index	12.82	69.35	253.02

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

Fund Allocation

As of August 31, 2023

Automobile Components	2.4%
Automobiles	17.8
Broadline Retail	24.6
Distributors	1.1
Diversified Consumer Services	1.3
Hotels, Restaurants & Leisure	20.9
Household Durables	4.9
Leisure Products	1.1
Specialty Retail	20.6
Textiles, Apparel & Luxury Goods	5.3

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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 August 31, 2023

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)			
Common Stocks (99.8%)			*.1	Groupon Inc.	94,943	1,174	*	Expedia Group Inc.	179,465	19,452	
Automobile Components (2.4%)			*	Qurate Retail Inc. Series A	1,305,257	1,012		Domino's Pizza Inc.	43,532	16,864	
*	Aptiv plc	341,442	34,639		Big Lots Inc.	132,123	819		MGM Resorts International	363,375	15,981
	BorgWarner Inc. (XNYS)	293,878	11,976	*.1	ContextLogic Inc. Class A	94,803	508	*	DraftKings Inc. Class A	516,285	15,308
	Lear Corp.	74,525	10,738				1,419,997	*	Caesars Entertainment Inc.	267,449	14,779
	Autoliv Inc.	103,493	10,101	Distributors (1.1%)					Wynn Resorts Ltd.	128,143	12,991
	Gentex Corp.	297,212	9,707		Genuine Parts Co.	170,493	26,210		Aramark	310,943	11,561
*	Fox Factory Holding Corp.	56,195	6,227		Pool Corp.	48,063	17,572		Vail Resorts Inc.	50,647	11,462
*	Visteon Corp.	38,245	5,326		LKQ Corp.	328,769	17,270		Churchill Downs Inc.	85,036	10,653
*	Adient plc	129,172	5,060				61,052	*	Norwegian Cruise Line Holdings Ltd.	540,788	8,961
*	Goodyear Tire & Rubber Co.	386,527	4,990	Diversified Consumer Services (1.3%)				*	Light & Wonder Inc.	116,745	8,951
	LCI Industries	35,203	4,410		Service Corp. International	190,353	12,013		Texas Roadhouse Inc.	85,662	8,917
*	Modine Manufacturing Co.	79,765	3,796	*	H&R Block Inc.	196,976	7,875		Wyndham Hotels & Resorts Inc.	110,670	8,343
*	QuantumScape Corp.	467,438	3,338	*	Bright Horizons Family Solutions Inc.	75,476	7,126		Hyatt Hotels Corp. Class A	61,246	6,885
*	Dorman Products Inc.	39,609	3,268	*	Duolingo Inc.	40,067	5,896	*	Planet Fitness Inc. Class A	111,690	6,791
	Dana Inc.	195,449	3,149	*	Grand Canyon Education Inc.	42,218	4,950		Boyd Gaming Corp.	99,841	6,676
*	Gentherm Inc.	49,960	3,008	*	Frontdoor Inc.	116,834	3,835		Wingstop Inc.	39,481	6,342
*	XPEL Inc.	34,090	2,840		Graham Holdings Co. Class B	5,385	3,157		Choice Hotels International Inc.	44,309	5,623
	Patrick Industries Inc.	33,309	2,786	*	Adtalem Global Education Inc.	66,978	2,937		Marriott Vacations Worldwide Corp.	47,411	5,153
*.1	Luminar Technologies Inc.	411,784	2,372	*	Laureate Education Inc.	204,011	2,842	*	Penn Entertainment Inc.	210,871	4,996
*	Phinia Inc.	80,960	2,251	*	Stride Inc.	64,522	2,742		Wendy's Co.	243,526	4,819
*	American Axle & Manufacturing Holdings Inc.	229,176	1,730	*	Coursera Inc.	156,391	2,720	*	Hilton Grand Vacations Inc.	107,541	4,702
	Standard Motor Products Inc.	41,084	1,521	*	Strategic Education Inc.	34,591	2,681		Travel & Leisure Co.	106,972	4,300
*	Stoneridge Inc.	63,690	1,309	*	ADT Inc.	361,021	2,318	*	Shake Shack Inc. Class A	53,817	3,767
*	Holley Inc.	190,120	1,084	*	Chegg Inc.	199,974	2,042		Papa John's International Inc.	47,399	3,588
*.1	Solid Power Inc.	476,179	1,009	*	Perdoceo Education Corp.	120,502	1,997		Bloomin' Brands Inc.	127,058	3,565
			136,635	*	OneSpaWorld Holdings Ltd.	165,322	1,891		Red Rock Resorts Inc. Class A	74,072	3,254
Automobiles (17.8%)				*.1	WW International Inc.	158,520	1,539	*	SeaWorld Entertainment Inc.	58,602	2,854
*	Tesla Inc.	3,376,430	871,389	*	Rover Group Inc.	225,892	1,529	*	Six Flags Entertainment Corp.	113,379	2,603
	Ford Motor Co.	4,703,318	57,051	*	Mister Car Wash Inc.	209,604	1,518		Cracker Barrel Old Country Store Inc.	31,488	2,596
	General Motors Co.	1,664,186	55,767	*	Udemy Inc.	139,327	1,443		Jack in the Box Inc.	32,259	2,593
*	Rivian Automotive Inc. Class A	802,344	18,237	*.1	European Wax Center Inc. Class A	79,634	1,382		Cheesecake Factory Inc.	78,298	2,494
*.1	Lucid Group Inc.	1,179,807	7,409	*	Carriage Services Inc.	37,621	1,160	*	Dave & Buster's Entertainment Inc.	61,859	2,429
	Thor Industries Inc.	66,135	6,932	*	2U Inc.	316,637	1,004	*	Sabre Corp.	485,089	2,425
	Harley-Davidson Inc.	181,097	6,112	*	Beachbody Co. Inc.	526,460	215		Brinker International Inc.	71,880	2,353
	Winnebago Industries Inc.	45,822	2,972				76,812	*	Sweetgreen Inc. Class A	156,858	2,253
*.1	Fisker Inc.	340,565	1,999	Hotels, Restaurants & Leisure (20.8%)				*	Everi Holdings Inc.	154,303	2,231
*.1	Canoo Inc.	1,885,019	1,117		McDonald's Corp.	865,712	243,395	*.1	Dutch Bros Inc. Class A	70,019	2,073
*.1	Workhorse Group Inc.	996,855	786	*	Booking Holdings Inc.	44,679	138,730	*	Life Time Group Holdings Inc.	108,630	1,868
*.1	Faraday Future Intelligent Electric Inc.	59,076	445	*	Starbucks Corp.	1,363,237	132,834		Krispy Kreme Inc.	139,374	1,866
			1,030,216	*	Airbnb Inc. Class A	493,094	64,867		Monarch Casino & Resort Inc.	26,925	1,815
Broadline Retail (24.5%)					Marriott International Inc. Class A	312,975	63,694	*	Portillo's Inc. Class A	90,993	1,669
*	Amazon.com Inc.	9,358,971	1,291,632	*	Chipotle Mexican Grill Inc.	32,984	63,548		Dine Brands Global Inc.	29,802	1,633
*	MercadoLibre Inc.	47,179	64,747		Hilton Worldwide Holdings Inc.	317,451	47,189	*	Playa Hotels & Resorts NV	216,093	1,612
*	eBay Inc.	647,840	29,010	*	Yum! Brands Inc.	336,365	43,519		Golden Entertainment Inc.	44,118	1,606
*	Etsy Inc.	154,943	11,399	*	Royal Caribbean Cruises Ltd.	278,841	27,589	*	Accel Entertainment Inc.	131,588	1,565
*	Ollie's Bargain Outlet Holdings Inc.	81,999	6,320		DoorDash Inc. Class A	307,872	25,901				
	Macy's Inc.	366,739	4,485	*	Las Vegas Sands Corp.	419,173	22,996				
	Kohl's Corp.	154,433	4,114		Darden Restaurants Inc.	147,277	22,903				
	Nordstrom Inc.	158,598	2,572	*	Carnival Corp.	1,233,381	19,512				
	Dillard's Inc. Class A	6,388	2,205								

Consumer Discretionary Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Chuy's Holdings Inc.	38,989	1,486	* Topgolf Callaway Brands Corp.	215,991	3,767	* Sally Beauty Holdings Inc.	192,493	1,956
* BJ's Restaurants Inc.	49,716	1,462	* Peloton Interactive Inc. Class A	471,184	3,006	* Buckle Inc.	53,201	1,944
* Target Hospitality Corp.	84,710	1,347	* Acushnet Holdings Corp.	51,253	3,001	* Leslie's Inc.	305,872	1,915
* Bally's Corp.	79,909	1,327	* Vista Outdoor Inc.	90,975	2,661	* Caleres Inc.	65,537	1,879
* First Watch Restaurant Group Inc.	68,434	1,308	* Malibu Boats Inc. Class A	36,523	1,774	* Camping World Holdings Inc. Class A	75,658	1,871
* RCI Hospitality Holdings Inc.	19,998	1,305	* Sturm Ruger & Co. Inc.	33,546	1,730	* Monro Inc.	56,558	1,852
* Denny's Corp.	135,199	1,288	* Smith & Wesson Brands Inc.	105,816	1,242	* Warby Parker Inc. Class A	138,987	1,669
* Bowlero Corp.	116,180	1,278	* Funko Inc. Class A	146,957	1,024	* Sonic Automotive Inc. Class A	30,770	1,641
* Kura Sushi USA Inc. Class A	14,009	1,224	* Johnson Outdoors Inc. Class A	18,269	1,021	* Guess? Inc.	66,341	1,596
* Lindblad Expeditions Holdings Inc.	108,872	985	*.1 AMMO Inc.	431,028	987	* America's Car-Mart Inc.	13,415	1,493
* Soho House & Co. Inc.	137,338	934	* Solo Brands Inc. Class A	148,470	830	* MarineMax Inc.	44,533	1,482
*.1 Sonder Holdings Inc.	731,810	366	* Clarus Corp.	110,021	791	* Hibbett Inc.	30,563	1,415
* Vacasa Inc. Class A	502,609	303	* Latham Group Inc.	189,935	703	* Sleep Number Corp.	54,787	1,401
* F45 Training Holdings Inc.	76,141	4			65,393	* Chico's FAS Inc.	271,787	1,394
		1,206,516				* Designer Brands Inc. Class A	128,393	1,349
Household Durables (4.9%)			Specialty Retail (20.6%)			* Revolve Group Inc.	90,796	1,330
DR Horton Inc.	375,919	44,742	Home Depot Inc.	1,191,022	393,395	* Arhaus Inc.	128,472	1,272
Lennar Corp. Class A	304,389	36,250	Lowe's Cos. Inc.	707,337	163,027	* Genesco Inc.	35,957	1,233
* NVR Inc.	3,951	25,197	* TJX Cos. Inc.	1,368,443	126,554	* Arko Corp.	159,581	1,202
PulteGroup Inc.	272,505	22,362	* O'Reilly Automotive Inc.	73,264	68,846	* Haverly Furniture Cos. Inc.	36,400	1,139
Garmin Ltd.	187,508	19,880	* AutoZone Inc.	21,922	55,492	*.1 Stitch Fix Inc. Class A	258,298	1,134
* TopBuild Corp.	39,888	11,571	Ross Stores Inc.	408,738	49,788	*.1 EVgo Inc.	277,722	1,116
Toll Brothers Inc.	138,139	11,318	* Tractor Supply Co.	132,648	28,984	* Shoe Carnival Inc.	48,189	1,115
Tempur Sealy International Inc.	219,106	10,237	* Ultra Beauty Inc.	60,373	25,057	* Aaron's Co. Inc.	89,229	1,077
* Whirlpool Corp.	69,658	9,749	* Best Buy Co. Inc.	240,691	18,401	* Zumiez Inc.	55,457	1,053
* Mohawk Industries Inc.	70,738	7,172	* CarMax Inc.	195,294	15,952	* Petco Health & Wellness Co. Inc.	206,662	1,052
Meritage Homes Corp.	48,450	6,736	* Burlington Stores Inc.	80,612	13,080	* ThredUP Inc. Class A	262,295	1,044
* Taylor Morrison Home Corp.	137,262	6,506	* Floor & Decor Holdings Inc. Class A	126,150	12,577	* Children's Place Inc.	37,666	999
Newell Brands Inc.	529,513	5,602	* Five Below Inc.	69,250	11,908	*.1 OneWater Marine Inc. Class A	37,052	967
KB Home	109,036	5,539	* Williams-Sonoma Inc.	81,603	11,522	* PetMed Express Inc.	82,765	933
* Skyline Champion Corp.	74,439	5,305	* Lithia Motors Inc.	34,762	10,707	* 1-800-Flowers.com Inc. Class A	122,399	922
Leggett & Platt Inc.	181,327	5,113	* Bath & Body Works Inc.	275,288	10,150	* BARK Inc.	506,047	810
Installed Building Products Inc.	33,107	4,792	* Dick's Sporting Goods Inc.	78,637	9,149	*.1 Sportsman's Warehouse Holdings Inc.	145,087	698
* Tri Pointe Homes Inc.	140,561	4,371	* RH	24,097	8,800	* Lands' End Inc.	61,272	472
MDC Holdings Inc.	88,023	4,177	* Murphy USA Inc.	26,599	8,449	* Conn's Inc.	79,696	333
* Helen of Troy Ltd.	33,873	4,164	*.1 Carvana Co.	148,199	7,462			1,191,946
* M/I Homes Inc.	40,035	3,931	* Wayfair Inc. Class A	103,089	7,124	Textiles, Apparel & Luxury Goods (5.3%)		
* LGI Homes Inc.	30,716	3,781	*.1 GameStop Corp. Class A	359,684	6,672	* NIKE Inc. Class B	1,463,599	148,863
* Cavco Industries Inc.	11,679	3,264	* AutoNation Inc.	42,227	6,633	* Lululemon Athletica Inc.	138,733	52,893
Century Communities Inc.	43,421	3,224	* Valvoline Inc.	175,382	6,040	* Deckers Outdoor Corp.	32,154	17,012
* Sonos Inc.	191,944	2,645	* Asbury Automotive Group Inc.	25,886	5,954	* Tapestry Inc.	293,807	9,790
* Green Brick Partners Inc.	46,074	2,279	* Academy Sports & Outdoors Inc.	102,141	5,574	* Skechers USA Inc. Class A	171,738	8,640
La-Z-Boy Inc.	72,805	2,246	* Advance Auto Parts Inc.	79,905	5,499	* Capri Holdings Ltd.	160,192	8,409
* iRobot Corp.	48,752	1,896	* Penske Automotive Group Inc.	32,791	5,388	* VF Corp.	422,857	8,356
* Beazer Homes USA Inc.	56,555	1,658	* Group 1 Automotive Inc.	19,285	5,099	* Crocs Inc.	79,999	7,787
*.1 Dream Finders Homes Inc. Class A	53,087	1,530	* Signet Jewelers Ltd.	59,966	4,497	* PVH Corp.	82,265	6,877
* Ethan Allen Interiors Inc.	48,094	1,509	* American Eagle Outfitters Inc.	262,854	4,458	* Ralph Lauren Corp.	53,434	6,232
* GoPro Inc. Class A	327,937	1,192	* Abercrombie & Fitch Co. Class A	77,930	4,189	* Columbia Sportswear Co.	52,799	3,872
* Vizio Holding Corp. Class A	183,644	1,054	* Boot Barn Holdings Inc.	42,526	3,902	* Carter's Inc.	53,933	3,860
* Lovesac Co.	45,335	1,039	* Chewy Inc. Class A	161,305	3,868	* Steven Madden Ltd.	104,525	3,606
* Cricut Inc. Class A	104,468	988	* Gap Inc.	325,086	3,764	* Kontoor Brands Inc.	72,988	3,342
* Traeger Inc.	210,499	941	* Urban Outfitters Inc.	89,619	2,976	* Hanesbrands Inc.	537,120	2,820
* Tupperware Brands Corp.	188,830	470	* ODP Corp.	54,781	2,702	* Oxford Industries Inc.	25,090	2,534
		284,430	* Foot Locker Inc.	126,926	2,490	* Under Armour Inc. Class A	314,048	2,399
Leisure Products (1.1%)			* Upbound Group Inc.	78,621	2,407	* Under Armour Inc. Class C	331,431	2,284
Hasbro Inc.	166,217	11,968	* National Vision Holdings Inc.	127,313	2,331	* Levi Strauss & Co. Class A	158,945	2,189
* Mattel Inc.	450,155	9,975	* Victoria's Secret & Co.	114,932	2,204	* G-III Apparel Group Ltd.	81,322	1,614
* Polaris Inc.	69,844	7,829	* Overstock.com Inc.	80,300	2,097	* Figs Inc. Class A	252,019	1,557
* Brunswick Corp.	91,770	7,261	* Winmark Corp.	5,309	2,020	* Wolverine World Wide Inc.	173,875	1,405
* YETI Holdings Inc.	116,580	5,823				* Movado Group Inc.	43,003	1,176

	Shares	Market Value* (\$000)
* Allbirds Inc. Class A	458,129	591
* Fossil Group Inc.	227,276	482
*.1 PLBY Group Inc.	262,628	341
		308,931
Total Common Stocks (Cost \$5,324,547)		5,781,928

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.6%)		
Money Market Fund (0.6%)		
^{2,3} Vanguard Market Liquidity Fund, 5.384% (Cost \$34,221)	342,314	34,228
Total Investments (100.4%) (Cost \$5,358,768)		5,816,156
Other Assets and Liabilities—Net (-0.4%)		(21,123)
Net Assets (100.0%)		5,795,033

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 \$22,269,000.

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.

3 Collateral of \$24,675,000 was received for securities on loan.

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)
MercadoLibre Inc.	8/30/24	BANA	9,332	(5.320)	—	—

¹ Based on Overnight Bank Funding Rate as of the most recent reset date. Floating interest payment received/paid monthly.
BANA—Bank of America, N.A.

At August 31, 2023, the counterparties had deposited in segregated accounts securities with a value of \$710,000 in connection with open over-the-counter swap contracts.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$5,324,547)	5,781,928
Affiliated Issuers (Cost \$34,221)	34,228
Total Investments in Securities	5,816,156
Investment in Vanguard	192
Cash	301
Receivables for Investment Securities Sold	98,197
Receivables for Accrued Income	5,996
Receivables for Capital Shares Issued	82
Unrealized Appreciation—Over-the-Counter Swap Contracts	—
Total Assets	5,920,924
Liabilities	
Payables for Investment Securities Purchased	100,934
Collateral for Securities on Loan	24,675
Payables for Capital Shares Redeemed	35
Payables to Vanguard	247
Total Liabilities	125,891
Net Assets	5,795,033

¹ Includes \$22,269,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	5,828,793
Total Distributable Earnings (Loss)	(33,760)
Net Assets	5,795,033

ETF Shares—Net Assets

Applicable to 18,082,597 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,186,936
Net Asset Value Per Share—ETF Shares	\$286.85

Admiral Shares—Net Assets

Applicable to 4,095,629 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	608,097
Net Asset Value Per Share—Admiral Shares	\$148.47

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends	50,262
Interest ¹	263
Securities Lending—Net	2,095
Total Income	52,620
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	114
Management and Administrative— ETF Shares	3,780
Management and Administrative— Admiral Shares	455
Marketing and Distribution— ETF Shares	228
Marketing and Distribution— Admiral Shares	29
Custodian Fees	21
Auditing Fees	30
Shareholders' Reports—ETF Shares	161
Shareholders' Reports—Admiral Shares	6
Trustees' Fees and Expenses	3
Other Expenses	23
Total Expenses	4,850
Expenses Paid Indirectly	(2)
Net Expenses	4,848
Net Investment Income	47,772
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	62,684
Swap Contracts	3,171
Realized Net Gain (Loss)	65,855
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	437,352
Swap Contracts	—
Change in Unrealized Appreciation (Depreciation)	437,352
Net Increase (Decrease) in Net Assets Resulting from Operations	550,979

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$263,000, \$3,000, less than \$1,000, and \$5,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$215,606,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	47,772	52,090
Realized Net Gain (Loss)	65,855	927,803
Change in Unrealized Appreciation (Depreciation)	437,352	(2,398,610)
Net Increase (Decrease) in Net Assets Resulting from Operations	550,979	(1,418,717)
Distributions		
ETF Shares	(42,420)	(64,707)
Admiral Shares	(4,965)	(7,212)
Total Distributions	(47,385)	(71,919)
Capital Share Transactions		
ETF Shares	104,338	(678,371)
Admiral Shares	25,960	(80,670)
Net Increase (Decrease) from Capital Share Transactions	130,298	(759,041)
Total Increase (Decrease)	633,892	(2,249,677)
Net Assets		
Beginning of Period	5,161,141	7,410,818
End of Period	5,795,033	5,161,141

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$256.97	\$320.99	\$246.86	\$178.51	\$180.85
Investment Operations					
Net Investment Income ¹	2.493	2.329	1.724	1.998	2.052
Net Realized and Unrealized Gain (Loss) on Investments	29.853	(63.227)	76.697	68.603	(2.391)
Total from Investment Operations	32.346	(60.898)	78.421	70.601	(.339)
Distributions					
Dividends from Net Investment Income	(2.466)	(3.122)	(4.291)	(2.251)	(2.001)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.466)	(3.122)	(4.291)	(2.251)	(2.001)
Net Asset Value, End of Period	\$286.85	\$256.97	\$320.99	\$246.86	\$178.51
Total Return	12.75%	-19.11%	32.39%	39.98%	-0.14%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,187	\$4,638	\$6,658	\$4,026	\$3,049
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.99%	0.78%	0.60%	1.06%	1.20%
Portfolio Turnover Rate ³	11%	9%	8%	10%	9%

1 Calculated based on average shares outstanding.

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

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

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$133.01	\$166.15	\$127.78	\$92.40	\$93.61
Investment Operations					
Net Investment Income ¹	1.287	1.211	.889	1.033	1.058
Net Realized and Unrealized Gain (Loss) on Investments	15.450	(32.737)	39.704	35.512	(1.232)
Total from Investment Operations	16.737	(31.526)	40.593	36.545	(.174)
Distributions					
Dividends from Net Investment Income	(1.277)	(1.614)	(2.223)	(1.165)	(1.036)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.277)	(1.614)	(2.223)	(1.165)	(1.036)
Net Asset Value, End of Period	\$148.47	\$133.01	\$166.15	\$127.78	\$92.40
Total Return²	12.75%	-19.11%	32.39%	40.01%	-0.14%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$608	\$523	\$753	\$437	\$321
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.98%	0.79%	0.60%	1.06%	1.20%
Portfolio Turnover Rate ⁴	11%	9%	8%	10%	9%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

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

Notes to Financial Statements

Vanguard Consumer Discretionary Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

3. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three

years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$192,000, representing less than 0.01% of the fund's net assets and 0.08% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$2,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	5,781,928	—	—	5,781,928
Temporary Cash Investments	34,228	—	—	34,228
Total	5,816,156	—	—	5,816,156
Derivative Financial Instruments				
Assets				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	215,465
Total Distributable Earnings (Loss)	(215,465)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to capital loss carryforwards; and 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	12,725
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	440,142
Capital Loss Carryforwards	(486,627)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	(33,760)

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	47,385	71,919
Long-Term Capital Gains	—	—
Total	47,385	71,919

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	5,376,016
Gross Unrealized Appreciation	969,783
Gross Unrealized Depreciation	(529,641)
Net Unrealized Appreciation (Depreciation)	440,142

F. During the year ended August 31, 2023, the fund purchased \$1,466,259,000 of investment securities and sold \$1,338,909,000 of investment securities, other than temporary cash investments. Purchases and sales include \$926,911,000 and \$819,248,000, 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 August 31, 2023, such purchases were \$9,071,000 and sales were \$15,886,000, resulting in net realized loss of \$5,131,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	947,780	3,535	1,566,104	5,181
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(843,442)	(3,500)	(2,244,475)	(7,875)
Net Increase (Decrease)—ETF Shares	104,338	35	(678,371)	(2,694)
Admiral Shares				
Issued	154,826	1,153	200,157	1,252
Issued in Lieu of Cash Distributions	4,229	33	6,292	40
Redeemed	(133,095)	(1,026)	(287,119)	(1,886)
Net Increase (Decrease)—Admiral Shares	25,960	160	(80,670)	(594)

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

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

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

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

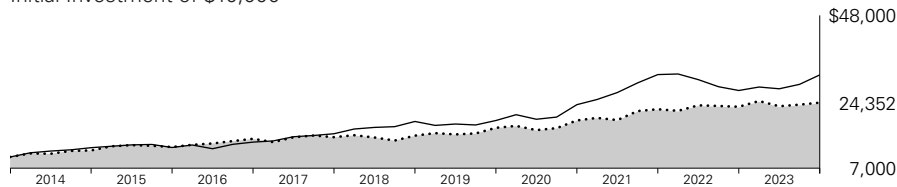
Consumer Staples Index Fund

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: August 31, 2013, Through August 31, 2023

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended August 31, 2023

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Consumer Staples Index Fund ETF Shares Net Asset Value	4.65%	9.24%	9.31%	\$24,352
Consumer Staples Index Fund ETF Shares Market Price	4.65	9.25	9.31	24,363
MSCI US Investable Market Consumer Staples 25/50 Index	4.69	9.34	9.41	24,579
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Consumer Staples Index Fund Admiral Shares	4.65%	9.26%	9.32%	\$243,807
MSCI US Investable Market Consumer Staples 25/50 Index	4.69	9.34	9.41	245,792
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Consumer Staples Index Fund ETF Shares Market Price	4.65%	55.61%	143.63%
Consumer Staples Index Fund ETF Shares Net Asset Value	4.65	55.57	143.52
MSCI US Investable Market Consumer Staples 25/50 Index	4.69	56.27	145.79

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

Fund Allocation

As of August 31, 2023

Beverages	23.8%
Consumer Staples Distribution & Retail	26.4
Food Products	18.5
Household Products	19.2
Personal Care Products	4.2
Tobacco	7.9

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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 August 31, 2023

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.7%)			Food Products (18.4%)					
Beverages (23.7%)			Mondelez International Inc. Class A			Reynolds Consumer Products Inc.		
Coca-Cola Co.	11,252,097	673,213		4,268,075	304,143		412,860	11,267
PepsiCo Inc.	3,766,889	670,205	Archer-Daniels-Midland Co.			* Central Garden & Pet Co.	112,703	4,975
* Monster Beverage Corp.	2,515,073	144,390		1,763,122	139,816			
Constellation Brands Inc. Class A	536,367	139,756		1,874,944	126,859	Personal Care Products (4.2%)		
Keurig Dr Pepper Inc.	2,697,689	90,777		475,441	102,153	Estee Lauder Cos. Inc. Class A	742,697	119,225
Brown-Forman Corp. Class B	1,049,319	69,391		2,181,225	72,177	Kenvue Inc.	3,596,127	82,891
Molson Coors Beverage Co. Class B	681,626	43,276		840,073	68,953	* elf Beauty Inc.	224,353	31,120
* Celsius Holdings Inc.	176,529	34,607		528,946	60,469	* BellRing Brands Inc.	584,980	24,277
* Boston Beer Co. Inc. Class A	48,776	17,824		924,312	56,402	* Coty Inc. Class A	1,726,603	19,959
Coca-Cola Consolidated Inc.	24,725	17,280		368,247	53,377	Inter Parfums Inc.	105,235	14,704
MGP Ingredients Inc.	103,783	12,444		1,001,038	53,325	Edgewell Personal Care Co.	291,482	11,240
* National Beverage Corp.	190,453	9,772		1,637,369	48,925	* Herbalife Ltd.	652,686	9,803
* Duckhorn Portfolio Inc.	489,300	6,087		501,607	48,862	* USANA Health Sciences Inc.	131,962	8,484
* Vita Coco Co. Inc.	180,972	5,120		1,080,390	41,692	Nu Skin Enterprises Inc. Class A	306,787	7,329
*.1 Vintage Wine Estates Inc.	407,856	339		586,556	36,226	Medifast Inc.	85,988	7,252
		1,934,481		715,260	29,826	* Beauty Health Co.	845,551	5,209
Consumer Staples Distribution & Retail (26.3%)				257,620	26,512	*.1 Veru Inc.	761,130	792
Costco Wholesale Corp.	1,210,992	665,174		234,544	21,041	* Olaplex Holdings Inc.	29,389	80
Walmart Inc.	4,033,034	655,812		855,813	20,163			
Target Corp.	1,211,916	153,368		649,713	18,504	Tobacco (7.9%)		
Sysco Corp.	1,643,898	114,497		242,668	18,324	Philip Morris International Inc.	3,872,359	371,979
Kroger Co.	2,218,411	102,912		242,668	18,324	Altria Group Inc.	5,623,773	248,683
Dollar General Corp.	516,970	71,600		453,930	16,378	Vector Group Ltd.	964,744	10,332
Walgreens Boots Alliance Inc.	2,450,337	62,018		88,997	14,701	Universal Corp.	192,051	9,146
* Dollar Tree Inc.	483,323	59,139		86,480	14,021	Turning Point Brands Inc.	195,141	4,804
* Performance Food Group Co.	587,688	36,513		276,844	12,879			
Casey's General Stores Inc.	141,432	34,567		254,466	12,161	644,944		
* BJ's Wholesale Club Holdings Inc.	499,455	33,658		373,081	9,387	Total Common Stocks (Cost \$7,468,573) 8,141,599		
* US Foods Holding Corp.	790,986	31,980		582,234	8,990	Temporary Cash Investments (0.3%)		
Albertsons Cos. Inc. Class A	1,186,910	26,587		349,648	8,933	Money Market Fund (0.3%)		
* Sprouts Farmers Market Inc.	486,546	19,846		393,797	8,821	*.3 Vanguard Market Liquidity Fund, 5.384% (Cost \$24,139)	241,455	24,143
* Grocery Outlet Holding Corp.	487,273	15,032		655,396	8,382	Total Investments (100.0%) (Cost \$7,492,712) 8,165,742		
PriceSmart Inc.	165,879	13,184		82,595	8,288	Other Assets and Liabilities—Net (0.0%) (1,628)		
Andersons Inc.	252,719	12,980		593,481	7,003	Net Assets (100.0%) 8,164,114		
Weis Markets Inc.	144,466	9,372		205,352	6,768	Cost is in \$000.		
Ingles Markets Inc. Class A	119,007	9,298		198,495	6,382	• See Note A in Notes to Financial Statements.		
* Chefs' Warehouse Inc.	294,241	8,398		559,444	5,924	* Non-income-producing security.		
* United Natural Foods Inc.	374,674	7,542		513,457	4,888	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$8,547,000.		
SpartanNash Co.	343,284	7,470		264,266	3,113	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.		
		2,150,947		*.1 Benson Hill Inc.	1,482,361	3 Collateral of \$10,020,000 was received for securities on loan, of which \$10,017,000 is held in Vanguard Market Liquidity Fund and \$3,000 is held in cash.		
					1,505,715			
			Household Products (19.2%)					
				6,673,722	1,030,022			
				2,505,939	184,111			
				1,079,316	139,048			
				814,784	78,847			
				356,607	55,791			
				211,066	17,555			
				73,745	15,846			
				385,888	13,255			
				304,657	12,430			

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)
Clorox Co.	8/30/24	BANA	9,387	(5.320)	—	—
Kraft Heinz Co.	8/30/24	BANA	12,243	(5.320)	—	—
					—	—

¹ Based on Overnight Bank Funding Rate as of the most recent reset date. Floating interest payment received/paid monthly.
 BANA—Bank of America, N.A.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$7,468,573)	8,141,599
Affiliated Issuers (Cost \$24,139)	24,143
Total Investments in Securities	8,165,742
Investment in Vanguard	281
Cash	3
Cash Collateral Pledged—Over-the-Counter Swap Contracts	1,080
Receivables for Investment Securities Sold	10,433
Receivables for Accrued Income	18,280
Receivables for Capital Shares Issued	545
Unrealized Appreciation—Over-the-Counter Swap Contracts	—
Total Assets	8,196,364
Liabilities	
Due to Custodian	822
Payables for Investment Securities Purchased	20,572
Collateral for Securities on Loan	10,020
Payables for Capital Shares Redeemed	478
Payables to Vanguard	358
Total Liabilities	32,250
Net Assets	8,164,114

¹ Includes \$8,547,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	7,790,741
Total Distributable Earnings (Loss)	373,373
Net Assets	8,164,114

ETF Shares—Net Assets

Applicable to 36,067,647 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	6,940,279
Net Asset Value Per Share—ETF Shares	\$192.42

Admiral Shares—Net Assets

Applicable to 12,898,925 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,223,835
Net Asset Value Per Share—Admiral Shares	\$94.88

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends	207,002
Interest ¹	496
Securities Lending—Net	5,385
Total Income	212,883
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	187
Management and Administrative— ETF Shares	5,872
Management and Administrative— Admiral Shares	1,096
Marketing and Distribution— ETF Shares	316
Marketing and Distribution— Admiral Shares	69
Custodian Fees	80
Auditing Fees	30
Shareholders' Reports—ETF Shares	287
Shareholders' Reports—Admiral Shares	21
Trustees' Fees and Expenses	4
Other Expenses	22
Total Expenses	7,984
Expenses Paid Indirectly	(3)
Net Expenses	7,981
Net Investment Income	204,902
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	229,160
Swap Contracts	(2,277)
Realized Net Gain (Loss)	226,883
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	(95,399)
Swap Contracts	(71)
Change in Unrealized Appreciation (Depreciation)	(95,470)
Net Increase (Decrease) in Net Assets Resulting from Operations	336,315

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$495,000, \$9,000, and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$343,788,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31, 2023 2022 (\$000) (\$000)	
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	204,902	171,173
Realized Net Gain (Loss)	226,883	423,016
Change in Unrealized Appreciation (Depreciation)	(95,470)	(412,612)
Net Increase (Decrease) in Net Assets Resulting from Operations	336,315	181,577
Distributions		
ETF Shares	(169,896)	(141,845)
Admiral Shares	(30,958)	(22,409)
Total Distributions	(200,854)	(164,254)
Capital Share Transactions		
ETF Shares	81,812	813,055
Admiral Shares	(25,525)	387,987
Net Increase (Decrease) from Capital Share Transactions	56,287	1,201,042
Total Increase (Decrease)	191,748	1,218,365
Net Assets		
Beginning of Period	7,972,366	6,754,001
End of Period	8,164,114	7,972,366

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$188.63	\$187.61	\$167.31	\$154.72	\$140.13
Investment Operations					
Net Investment Income ¹	4.909	4.356	4.385	3.992	3.896
Net Realized and Unrealized Gain (Loss) on Investments	3.705	.907	20.341	12.658	14.346
Total from Investment Operations	8.614	5.263	24.726	16.650	18.242
Distributions					
Dividends from Net Investment Income	(4.824)	(4.243)	(4.427)	(4.060)	(3.652)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.824)	(4.243)	(4.427)	(4.060)	(3.652)
Net Asset Value, End of Period	\$192.42	\$188.63	\$187.61	\$167.31	\$154.72
Total Return	4.65%	2.83%	15.01%	11.01%	13.24%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$6,940	\$6,747	\$5,908	\$5,712	\$5,296
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.57%	2.27%	2.50%	2.58%	2.71%
Portfolio Turnover Rate ³	9%	5%	8%	3%	6%

1 Calculated based on average shares outstanding.

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

3 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.

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$93.01	\$92.51	\$82.50	\$76.29	\$69.09
Investment Operations					
Net Investment Income ¹	2.416	2.147	2.160	1.973	1.923
Net Realized and Unrealized Gain (Loss) on Investments	1.831	.448	10.032	6.239	7.076
Total from Investment Operations	4.247	2.595	12.192	8.212	8.999
Distributions					
Dividends from Net Investment Income	(2.377)	(2.095)	(2.183)	(2.002)	(1.799)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.377)	(2.095)	(2.183)	(2.002)	(1.799)
Net Asset Value, End of Period	\$94.88	\$93.01	\$92.51	\$82.50	\$76.29
Total Return²	4.65%	2.85%	15.04%	11.03%	13.24%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,224	\$1,225	\$846	\$791	\$710
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.56%	2.27%	2.50%	2.59%	2.71%
Portfolio Turnover Rate ⁴	9%	5%	8%	3%	6%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

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

Notes to Financial Statements

Vanguard Consumer Staples Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

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

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$281,000, representing less than 0.01% of the fund's net assets and 0.11% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$3,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	8,141,599	—	—	8,141,599
Temporary Cash Investments	24,143	—	—	24,143
Total	8,165,742	—	—	8,165,742
Derivative Financial Instruments				
Assets				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	343,452
Total Distributable Earnings (Loss)	(343,452)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to capital loss carryforwards; and 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	32,466
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	666,145
Capital Loss Carryforwards	(325,238)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	373,373

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	200,854	164,254
Long-Term Capital Gains	—	—
Total	200,854	164,254

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	7,499,597
Gross Unrealized Appreciation	1,232,212
Gross Unrealized Depreciation	(566,067)
Net Unrealized Appreciation (Depreciation)	666,145

F. During the year ended August 31, 2023, the fund purchased \$1,837,807,000 of investment securities and sold \$1,794,046,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,096,679,000 and \$1,102,029,000, 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 August 31, 2023, such purchases were \$5,105,000 and sales were \$11,619,000, resulting in net realized loss of \$1,836,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	1,190,077	6,226	2,200,339	11,477
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,108,265)	(5,925)	(1,387,284)	(7,200)
Net Increase (Decrease)—ETF Shares	81,812	301	813,055	4,277
Admiral Shares				
Issued	326,126	3,468	636,063	6,644
Issued in Lieu of Cash Distributions	27,369	295	18,698	204
Redeemed	(379,020)	(4,040)	(266,774)	(2,818)
Net Increase (Decrease)—Admiral Shares	(25,525)	(277)	387,987	4,030

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

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

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

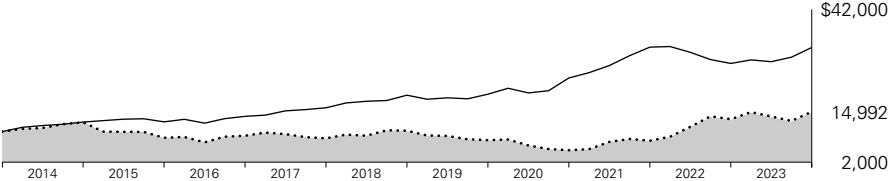
I. Management has determined that no events or transactions occurred subsequent to August 31, 2023, that would require recognition or disclosure in these financial statements.

Energy 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Energy Index Fund ETF Shares Net Asset Value	14.51%	8.10%	4.13%	\$14,992
Energy Index Fund ETF Shares Market Price	14.50	8.11	4.13	14,992
MSCI US Investable Market Energy 25/50 Index	14.72	8.22	4.27	15,197
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Energy Index Fund Admiral Shares	14.58%	8.15%	4.16%	\$150,288
MSCI US Investable Market Energy 25/50 Index	14.72	8.22	4.27	151,969
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Energy Index Fund ETF Shares Market Price	14.50%	47.67%	49.92%
Energy Index Fund ETF Shares Net Asset Value	14.51	47.64	49.92
MSCI US Investable Market Energy 25/50 Index	14.72	48.43	51.97

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

Fund Allocation

As of August 31, 2023

Coal & Consumable Fuels	0.4%
Integrated Oil & Gas	39.9
Oil & Gas Drilling	1.3
Oil & Gas Equipment & Services	10.7
Oil & Gas Exploration & Production	28.7
Oil & Gas Refining & Marketing	9.3
Oil & Gas Storage & Transportation	9.7

The table reflects the fund’s investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard (“GICS”), except for the “Other” category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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.

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.2%)		
Money Market Fund (0.2%)		
^{2,3} Vanguard Market Liquidity Fund, 5.384% (Cost \$22,287)	222,918	22,290
Total Investments (99.8%) (Cost \$8,570,172)		10,319,998
Other Assets and Liabilities— Net (0.2%)		20,294
Net Assets (100.0%)		10,340,292

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 \$18,515,000.

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.

3 Collateral of \$22,175,000 was received for securities on loan.

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)
EQT Corp.	8/30/24	BANA	12,966	(5.320)	—	—
Hess Corp.	1/31/24	GSI	31,114	(5.320)	—	(288)
					—	(288)

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

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$8,547,885)	10,297,708
Affiliated Issuers (Cost \$22,287)	22,290
Total Investments in Securities	10,319,998
Investment in Vanguard	335
Cash Collateral Pledged—Over-the-Counter Swap Contracts	500
Receivables for Investment Securities Sold	213,894
Receivables for Accrued Income	43,977
Receivables for Capital Shares Issued	876
Total Assets	10,579,580
Liabilities	
Due to Custodian	4,165
Payables for Investment Securities Purchased	206,321
Collateral for Securities on Loan	22,175
Payables for Capital Shares Redeemed	5,890
Payables to Vanguard	449
Unrealized Depreciation—Over-the-Counter Swap Contracts	288
Total Liabilities	239,288
Net Assets	10,340,292

¹ Includes \$18,515,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	10,023,769
Total Distributable Earnings (Loss)	316,523
Net Assets	10,340,292

ETF Shares—Net Assets

Applicable to 67,726,867 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,440,003
Net Asset Value Per Share—ETF Shares	\$124.62

Admiral Shares—Net Assets

Applicable to 30,524,869 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,900,289
Net Asset Value Per Share—Admiral Shares	\$62.25

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends ¹	365,323
Interest ²	1,131
Securities Lending—Net	358
Total Income	366,812
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	233
Management and Administrative— ETF Shares	6,971
Management and Administrative— Admiral Shares	1,781
Marketing and Distribution— ETF Shares	423
Marketing and Distribution— Admiral Shares	109
Custodian Fees	71
Auditing Fees	30
Shareholders' Reports—ETF Shares	321
Shareholders' Reports—Admiral Shares	19
Trustees' Fees and Expenses	5
Other Expenses	22
Total Expenses	9,985
Expenses Paid Indirectly	(24)
Net Expenses	9,961
Net Investment Income	356,851
Realized Net Gain (Loss)	
Investment Securities Sold ^{2,3}	703,820
Futures Contracts	13
Swap Contracts	10,594
Realized Net Gain (Loss)	714,427
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	240,694
Swap Contracts	(3,096)
Change in Unrealized Appreciation (Depreciation)	237,598
Net Increase (Decrease) in Net Assets Resulting from Operations	1,308,876

1 Dividends are net of foreign withholding taxes of \$1,000.

2 Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$1,131,000, \$10,000, less than \$1,000, and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$852,247,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31, 2023 2022 (\$000) (\$000)	
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	356,851	329,927
Realized Net Gain (Loss)	714,427	1,348,925
Change in Unrealized Appreciation (Depreciation)	237,598	2,695,802
Net Increase (Decrease) in Net Assets Resulting from Operations	1,308,876	4,374,654
Distributions		
ETF Shares	(311,564)	(276,138)
Admiral Shares	(77,509)	(61,049)
Total Distributions	(389,073)	(337,187)
Capital Share Transactions		
ETF Shares	(162,937)	(248,367)
Admiral Shares	(222,832)	111,245
Net Increase (Decrease) from Capital Share Transactions	(385,769)	(137,122)
Total Increase (Decrease)	534,034	3,900,345
Net Assets		
Beginning of Period	9,806,258	5,905,913
End of Period	10,340,292	9,806,258

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$113.45	\$67.99	\$47.90	\$75.75	\$103.13
Investment Operations					
Net Investment Income ¹	4.205	3.625	2.802	2.957	2.769
Net Realized and Unrealized Gain (Loss) on Investments	11.554	45.526	19.789	(28.064)	(27.449)
Total from Investment Operations	15.759	49.151	22.591	(25.107)	(24.680)
Distributions					
Dividends from Net Investment Income	(4.589)	(3.691)	(2.501)	(2.743)	(2.700)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.589)	(3.691)	(2.501)	(2.743)	(2.700)
Net Asset Value, End of Period	\$124.62	\$113.45	\$67.99	\$47.90	\$75.75
Total Return	14.51%	74.07%	48.07%	-33.87%	-24.34%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$8,440	\$7,862	\$4,806	\$2,720	\$3,029
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.58%	3.80%	4.54%	4.91%	3.15%
Portfolio Turnover Rate ³	9%	6%	5%	8%	7%

1 Calculated based on average shares outstanding.

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

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

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$56.67	\$33.97	\$23.93	\$37.84	\$51.52
Investment Operations					
Net Investment Income ¹	2.095	1.829	1.435	1.461	1.388
Net Realized and Unrealized Gain (Loss) on Investments	5.777	22.715	9.855	(14.001)	(13.720)
Total from Investment Operations	7.872	24.544	11.290	(12.540)	(12.332)
Distributions					
Dividends from Net Investment Income	(2.292)	(1.844)	(1.250)	(1.370)	(1.348)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.292)	(1.844)	(1.250)	(1.370)	(1.348)
Net Asset Value, End of Period	\$62.25	\$56.67	\$33.97	\$23.93	\$37.84
Total Return²	14.58%	73.97%	48.18%	-33.82%	-24.33%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,900	\$1,944	\$1,100	\$407	\$468
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.57%	3.83%	4.52%	4.84%	3.15%
Portfolio Turnover Rate ⁴	9%	6%	5%	8%	7%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

Notes to Financial Statements

Vanguard Energy Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

During the year ended August 31, 2023, the fund's average investments in long and short futures contracts represented 0% of net assets, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at August 31, 2023.

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

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

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

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

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

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

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$335,000, 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. The fund’s custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund’s expenses by \$24,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund’s investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund’s own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	10,297,708	—	—	10,297,708
Temporary Cash Investments	22,290	—	—	22,290
Total	10,319,998	—	—	10,319,998
Derivative Financial Instruments				
Liabilities				
Swap Contracts	—	288	—	288

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

	Amount (\$000)
Paid-in Capital	851,827
Total Distributable Earnings (Loss)	(851,827)

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

	Amount (\$000)
Undistributed Ordinary Income	62,476
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	1,701,204
Capital Loss Carryforwards	(1,447,157)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	316,523

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023	2022
	Amount (\$000)	Amount (\$000)
Ordinary Income*	389,073	337,187
Long-Term Capital Gains	—	—
Total	389,073	337,187

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	8,618,794
Gross Unrealized Appreciation	2,221,612
Gross Unrealized Depreciation	(520,408)
Net Unrealized Appreciation (Depreciation)	1,701,204

F. During the year ended August 31, 2023, the fund purchased \$2,602,688,000 of investment securities and sold \$3,009,302,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,563,037,000 and \$2,125,458,000, 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 August 31, 2023, such purchases were \$4,795,000 and sales were \$17,230,000, resulting in net realized loss of \$1,464,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	1,972,280	16,850	3,288,003	35,250
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(2,135,217)	(18,425)	(3,536,370)	(36,625)
Net Increase (Decrease)—ETF Shares	(162,937)	(1,575)	(248,367)	(1,375)
Admiral Shares				
Issued	706,787	12,005	1,232,945	24,911
Issued in Lieu of Cash Distributions	68,739	1,272	54,811	1,248
Redeemed	(998,358)	(17,057)	(1,176,511)	(24,249)
Net Increase (Decrease)—Admiral Shares	(222,832)	(3,780)	111,245	1,910

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

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

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

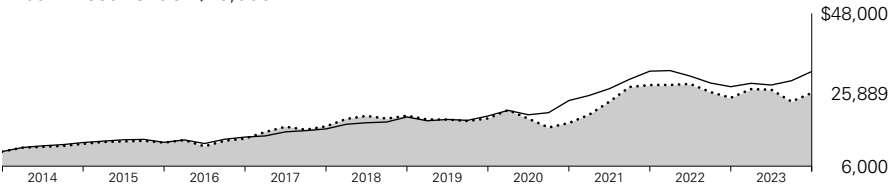
I. Management has determined that no events or transactions occurred subsequent to August 31, 2023, that would require recognition or disclosure in these financial statements.

Financials 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Financials Index Fund ETF Shares Net Asset Value	5.27%	5.52%	9.98%	\$25,889
Financials Index Fund ETF Shares Market Price	5.27	5.53	9.99	25,903
MSCI US Investable Market Financials 25/50 Index	5.32	5.61	10.08	26,118
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Financials Index Fund Admiral Shares	5.27%	5.54%	9.99%	\$259,053
MSCI US Investable Market Financials 25/50 Index	5.32	5.61	10.08	261,182
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Financials Index Fund ETF Shares Market Price	5.27%	30.87%	159.03%
Financials Index Fund ETF Shares Net Asset Value	5.27	30.84	158.89
MSCI US Investable Market Financials 25/50 Index	5.32	31.40	161.18

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

Fund Allocation

As of August 31, 2023

Banks	25.6%
Capital Markets	23.4
Consumer Finance	4.0
Financial Services	28.7
Insurance	17.3
Mortgage Real Estate Investment Trusts (REITs)	1.0

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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 August 31, 2023

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.0%)								
Banks (25.3%)			Ameris Bancorp	111,567	4,546	Provident Financial Services Inc.	121,121	1,996
JPMorgan Chase & Co.	4,943,547	723,389	Associated Banc-Corp.	255,587	4,429	Hope Bancorp Inc.	202,715	1,960
Bank of America Corp.	12,133,613	347,871	Community Bank System Inc.	91,134	4,333	FB Financial Corp.	63,201	1,920
Wells Fargo & Co.	6,204,937	256,202	International Bancshares Corp.	94,561	4,234	S&T Bancorp Inc.	66,083	1,872
Citigroup Inc.	3,294,048	136,011	BOK Financial Corp.	50,707	4,214	TriCo Bancshares	53,549	1,839
US Bancorp	2,593,997	94,759	First BanCorp (XNYS)	303,944	4,213	Live Oak Bancshares Inc.	55,949	1,809
PNC Financial Services Group Inc.	675,425	81,544	Cathay General Bancorp	116,361	4,146	First Busey Corp.	88,926	1,796
Truist Financial Corp.	2,254,111	68,863	CVB Financial Corp.	235,571	4,113	* Customers Bancorp Inc.	50,682	1,781
M&T Bank Corp.	280,906	35,127	First Hawaiian Inc.	216,274	4,090	Veritex Holdings Inc.	91,518	1,721
Fifth Third Bancorp	1,153,299	30,620	WSFS Financial Corp.	103,795	4,079	Nicolet Bankshares Inc.	22,273	1,689
Regions Financial Corp.	1,590,303	29,166	Independent Bank Corp. (XNGS)	75,175	4,061	OceanFirst Financial Corp.	100,135	1,689
Huntington Bancshares Inc.	2,439,913	27,059	First Interstate BancSystem Inc. Class A	149,979	3,886	Stellar Bancorp Inc.	76,174	1,620
First Citizens BancShares Inc. Class A	18,261	24,842	Simmons First National Corp. Class A	215,361	3,838	National Bank Holdings Corp. Class A	50,829	1,603
Citizens Financial Group Inc.	818,864	23,035	* Axos Financial Inc.	89,013	3,836	PacWest Bancorp	199,598	1,587
KeyCorp	1,579,902	17,900	Fulton Financial Corp.	282,526	3,766	Sandy Spring Bancorp Inc.	71,234	1,584
New York Community Bancorp Inc.	1,219,556	14,976	Atlantic Union Bankshares Corp.	126,778	3,764	Berkshire Hills Bancorp Inc.	75,275	1,573
East West Bancorp Inc.	239,119	13,233	Pacific Premier Bancorp Inc.	162,001	3,729	Origin Bancorp Inc. Southside	50,179	1,510
Webster Financial Corp.	295,170	12,518	Bank of Hawaii Corp.	67,317	3,618	QCR Holdings Inc.	28,371	1,488
First Horizon Corp.	896,186	11,247	Eastern Bankshares Inc.	268,276	3,611	Preferred Bank	23,433	1,455
Comerica Inc.	222,105	10,685	BancFirst Corp.	36,158	3,456	German American Bancorp Inc.	49,845	1,442
Commerce Bancshares Inc.	200,445	9,840	* Bancorp Inc.	93,640	3,438	Brookline Bancorp Inc.	150,457	1,440
Cullen/Frost Bankers Inc.	103,612	9,794	Seacoast Banking Corp. of Florida	143,207	3,381	Lakeland Bancorp Inc.	104,241	1,408
SouthState Corp.	128,176	9,267	First Financial Bancorp	161,070	3,347	1st Source Corp.	31,339	1,401
Prosperity Bancshares Inc.	158,844	9,024	BankUnited Inc.	125,930	3,306	Peoples Bancorp Inc.	52,482	1,352
Zions Bancorp NA	250,320	8,886	Washington Federal Inc.	111,386	3,027	First Bancshares Inc.	46,637	1,324
Western Alliance Bancorp	176,051	8,804	First Merchants Corp.	100,741	3,006	Eagle Bancorp Inc.	52,812	1,271
Pinnacle Financial Partners Inc.	129,563	8,624	Towne Bank	118,719	2,802	Dime Community Bancshares Inc.	59,062	1,259
Popular Inc.	121,706	8,310	Park National Corp.	27,462	2,795	Capitol Federal Financial Inc.	218,794	1,241
Wintrust Financial Corp.	103,498	8,032	NBT Bancorp Inc.	79,558	2,738	ConnectOne Bancorp Inc.	62,912	1,203
Synovus Financial Corp.	247,015	7,648	Independent Bank Group Inc.	62,887	2,654	Premier Financial Corp.	60,185	1,134
Old National Bancorp	494,862	7,552	Renasant Corp.	94,737	2,638	Banc of California Inc.	89,450	1,121
Bank OZK	183,651	7,377	WesBanco Inc.	100,155	2,540	Tompkins Financial Corp.	21,107	1,096
Home BancShares Inc.	327,410	7,262	Banner Corp.	57,886	2,521	Heritage Financial Corp.	59,396	1,023
Columbia Banking System Inc.	352,428	7,218	Hilltop Holdings Inc.	81,972	2,491	* Columbia Financial Inc.	54,704	939
FNB Corp.	611,138	7,108	Enterprise Financial Services Corp.	63,075	2,442	Community Trust Bancorp Inc.	25,940	921
Cadence Bank	308,199	7,052	* OFG Bancorp	80,686	2,433	TrustCo Bank Corp. NY	32,144	915
United Bankshares Inc.	228,339	6,868	Triumph Financial Inc. Northwest	37,334	2,398	Heritage Commerce Corp.	103,200	895
Valley National Bancorp	729,886	6,700	Bancshares Inc.	215,040	2,365	Hanmi Financial Corp.	51,598	894
First Financial Bankshares Inc.	229,238	6,584	City Holding Co.	25,137	2,297	Univest Financial Corp.	49,599	892
Hancock Whitney Corp.	146,914	6,060	Lakeland Financial Corp.	43,910	2,289	* Coastal Financial Corp.	20,035	883
Glacier Bancorp Inc.	187,664	5,669	First Commonwealth Financial Corp.	174,509	2,281	Byline Bancorp Inc.	41,404	877
United Community Banks Inc.	199,496	5,386	Trustmark Corp.	98,207	2,263	First Mid Bancshares Inc.	31,251	874
* Texas Capital Bancshares Inc.	81,612	5,096	Pathward Financial Inc.	44,565	2,196	First Community Bankshares Inc.	28,163	871
UMB Financial Corp.	77,819	4,919	Stock Yards Bancorp Inc.	46,876	2,147	Mercantile Bank Corp.	25,832	862
ServisFirst Bancshares Inc.	87,340	4,895	Heartland Financial USA Inc.	68,189	2,089	Amerant Bancorp Inc.	45,035	845
			First Bancorp (XNGS)	69,020	2,046	Great Southern Bancorp Inc.	16,599	838
			Westamerica BanCorp	45,486	2,003			

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Horizon Bancorp Inc.	73,730	825	MarketAxess Holdings Inc.	63,653	15,336	OneMain Holdings Inc.	194,753	8,084
Camden National Corp.	24,674	809	Franklin Resources Inc.	507,907	13,581	*.2 FirstCash Holdings Inc.	65,112	5,816
Washington Trust Bancorp Inc.	28,663	803	SEI Investments Co.	191,589	11,890	*.2 Credit Acceptance Corp.	10,882	5,460
Midland States Bancorp Inc.	35,773	794	Carlyle Group Inc.	367,526	11,889	SLM Corp.	366,928	5,225
* CrossFirst Bankshares Inc.	73,832	794	Stifel Financial Corp.	178,975	11,637	*.2 Upstart Holdings Inc.	118,587	3,815
Central Pacific Financial Corp.	45,655	775	Morningstar Inc.	43,312	10,077	Bread Financial Holdings Inc.	84,910	3,191
Kearny Financial Corp.	102,838	762	Jefferies Financial Group Inc.	279,877	9,989	* Navient Corp.	161,000	2,842
* Metropolitan Bank Holding Corp.	19,059	759	Invesco Ltd.	582,489	9,273	* PROG Holdings Inc.	80,094	2,747
Northfield Bancorp Inc.	71,041	749	Houlihan Lokey Inc.	85,581	9,015	* Enova International Inc.	53,237	2,686
Peapack-Gladstone Financial Corp.	27,133	740	Evercore Inc. Class A	61,428	8,603	* Nelnet Inc. Class A	24,657	2,265
HarborOne Bancorp Inc.	73,364	731	Affiliated Managers Group Inc.	61,196	8,201	* Encore Capital Group Inc.	39,537	1,853
Southern Missouri Bancorp Inc.	17,098	723	* Robinhood Markets Inc. Class A	720,866	7,850	* PRA Group Inc.	66,069	1,287
First Financial Corp.	19,300	709	Blue Owl Capital Inc.	603,064	7,207	* LendingClub Corp.	180,216	1,254
Cambridge Bancorp	13,281	707	Janus Henderson Group plc	224,200	6,159	* Green Dot Corp. Class A	79,281	1,176
First Foundation Inc.	85,927	675	Moelis & Co. Class A	112,438	5,331	* World Acceptance Corp.	5,693	767
Flushing Financial Corp.	43,311	612	*.1 Focus Financial Partners Inc. Class A	100,249	5,313	* NerdWallet Inc. Class A	57,261	515
* Carter Bankshares Inc.	40,439	579	Hamilton Lane Inc. Class A	55,400	5,141	* LendingTree Inc.	19,243	364
SmartFinancial Inc.	24,287	553	Federated Hermes Inc.	143,494	4,988	* Curo Group Holdings Corp.	37,634	41
Hingham Institution for Savings	2,767	551	Piper Sandler Cos.	30,153	4,492			372,325
Amalgamated Financial Corp.	28,394	509	Artisan Partners Asset Management Inc. Class A	114,815	4,411	Financial Services (28.4%)		
Arrow Financial Corp.	27,943	492	*.2 PJT Partners Inc. Class A	39,900	3,152	* Berkshire Hathaway Inc. Class B	2,192,279	789,659
Bank of Marin Bancorp	24,357	458	Freedom Holding Corp.	30,296	2,979	Visa Inc. Class A	2,437,422	598,826
Capstar Financial Holdings Inc.	31,066	406	Cohen & Steers Inc.	45,636	2,975	Mastercard Inc. Class A	1,431,588	590,730
HomeStreet Inc.	25,820	244	* StoneX Group Inc.	31,450	2,952	* Fiserv Inc.	1,044,423	126,782
	2,371,907		Virtu Financial Inc. Class A	152,439	2,857	* PayPal Holdings Inc.	1,793,199	112,093
Capital Markets (23.2%)			StepStone Group Inc. Class A	90,072	2,780	Apollo Global Management Inc.	672,220	58,712
S&P Global Inc.	554,895	216,886	BGC Group Inc. Class A	545,532	2,695	Global Payments Inc.	443,400	56,174
Goldman Sachs Group Inc.	562,503	184,338	Virtus Investment Partners Inc.	12,425	2,573	Fidelity National Information Services Inc.	1,002,937	56,024
Morgan Stanley	2,119,280	180,457	* TPG Inc.	90,383	2,542	* Block Inc. (XNYS)	921,417	53,120
BlackRock Inc.	253,388	177,508	* Donnelley Financial Solutions Inc.	42,115	2,075	* FleetCor Technologies Inc.	118,518	32,205
Charles Schwab Corp.	2,543,946	150,474	Victory Capital Holdings Inc. Class A	44,937	1,547	Jack Henry & Associates Inc.	123,330	19,336
Blackstone Inc.	1,194,605	127,070	B Riley Financial Inc.	29,155	1,493	Equitable Holdings Inc.	604,011	17,395
CME Group Inc.	608,557	123,342	WisdomTree Inc.	189,406	1,383	* WEX Inc.	72,441	14,211
Intercontinental Exchange Inc.	946,085	111,629	* Avantax Inc.	60,073	1,257	Voya Financial Inc.	166,211	11,582
Moody's Corp.	279,478	94,128	Brightsphere Investment Group Inc.	54,801	1,135	* Toast Inc. Class A	522,315	11,580
MSCI Inc.	135,483	73,651	* Open Lending Corp. Class A	132,340	1,092	Essent Group Ltd.	181,015	9,090
KKR & Co. Inc.	1,022,523	64,225	P10 Inc. Class A	76,145	918	MGIC Investment Corp.	485,674	8,538
Ameriprise Financial Inc.	176,334	59,527	Diamond Hill Investment Group Inc.	5,121	864	Western Union Co.	634,388	7,835
Bank of New York Mellon Corp.	1,318,525	59,162	Perella Weinberg Partners	68,155	718	Radian Group Inc.	265,332	7,185
T Rowe Price Group Inc.	379,548	42,597	Bridge Investment Group Holdings Inc. Class A	49,669	501	* Affirm Holdings Inc.	341,225	7,101
State Street Corp.	564,856	38,828	Associated Capital Group Inc. Class A	4,870	177	* Euronet Worldwide Inc.	79,597	6,954
Raymond James Financial Inc.	340,133	35,574				* Mr Cooper Group Inc.	109,136	6,184
Nasdaq Inc.	580,498	30,465				* Remitly Global Inc.	210,365	5,291
LPL Financial Holdings Inc.	131,223	30,259				PennyMac Financial Services Inc.	71,938	5,163
FactSet Research Systems Inc.	64,648	28,213				* Flywire Corp.	146,171	5,055
Ares Management Corp. Class A	271,408	28,074				* Shift4 Payments Inc. Class A	87,057	4,944
Cboe Global Markets Inc.	178,904	26,784	Consumer Finance (4.0%)			Jackson Financial Inc. Class A	125,710	4,727
Northern Trust Corp.	352,061	26,781	American Express Co.	1,068,699	168,844	Walker & Dunlop Inc.	53,573	4,572
* Coinbase Global Inc. Class A	284,245	22,626	Capital One Financial Corp.	646,392	66,184	EVERTEC Inc.	110,096	4,356
Tradeweb Markets Inc. Class A	184,107	15,912	Discover Financial Services	430,005	38,731	* Marqeta Inc. Class A	655,359	4,030
Interactive Brokers Group Inc. Class A	174,288	15,874	* Synchrony Financial	724,490	23,386	* NMI Holdings Inc. Class A	134,214	3,841
			* SoFi Technologies Inc.	1,513,807	13,110	* Payoneer Global Inc.	455,672	2,821
			Ally Financial Inc.	458,001	12,682	* AvidXchange Holdings Inc.	254,836	2,620
						Federal Agricultural Mortgage Corp. Class C	15,526	2,613
						* Cannae Holdings Inc.	122,530	2,405

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Compass Diversified Holdings	109,772	2,267	Axis Capital Holdings Ltd.	136,723	7,501	Apollo Commercial Real Estate Finance Inc.	226,839	2,477
*.2 Rocket Cos. Inc. Class A	190,063	2,030	Lincoln National Corp.	286,882	7,361	Chimera Investment Corp.	392,420	2,374
* Repay Holdings Corp.	130,208	1,200	White Mountains Insurance Group Ltd.	4,336	6,889	Two Harbors Investment Corp.	163,441	2,251
A-Mark Precious Metals Inc.	31,812	1,085	Hanover Insurance Group Inc.	60,277	6,433	Claros Mortgage Trust Inc.	188,728	2,150
* International Money Express Inc.	60,755	1,051	American Equity Investment Life Holding Co.	105,185	5,646	Ladder Capital Corp.	192,618	2,111
* I3 Verticals Inc. Class A	39,274	929	Assured Guaranty Ltd.	95,275	5,606	PennyMac Mortgage Investment Trust	150,259	2,015
Merchants Bancorp	29,164	851	* Brighthouse Financial Inc.	112,537	5,589	Franklin BSP Realty Trust Inc. REIT	140,112	1,981
Cass Information Systems Inc.	22,110	848	* Kemper Corp.	108,179	5,081	MFA Financial Inc. REIT	172,362	1,889
* Paymentus Holdings Inc. Class A	28,693	432	* Enstar Group Ltd.	18,925	4,794	ARMOUR Residential REIT Inc.	325,869	1,600
		2,664,447	* Genworth Financial Inc. Class A	806,582	4,670	BrightSpire Capital Inc.	222,344	1,548
Insurance (17.1%)			* CNO Financial Group Inc.	194,164	4,543	Redwood Trust Inc.	192,677	1,543
Marsh & McLennan Cos. Inc.	836,732	163,154	* BRP Group Inc. Class A	108,442	2,884	New York Mortgage Trust Inc.	154,551	1,471
Chubb Ltd.	700,574	140,724	* Goosehead Insurance Inc. Class A	36,977	2,583	Ellington Financial Inc.	109,048	1,458
Progressive Corp.	990,097	132,148	* Palomar Holdings Inc.	42,034	2,144	KKR Real Estate Finance Trust Inc.	99,466	1,244
Aon plc Class A (XNYS)	345,479	115,179	Stewart Information Services Corp.	46,241	2,142	Dynex Capital Inc.	90,069	1,167
Arthur J Gallagher & Co.	362,365	83,518	Horace Mann Educators Corp.	68,981	1,977	Ares Commercial Real Estate Corp.	83,261	862
Aflac Inc.	971,171	72,420	*.2 Trupanion Inc.	62,494	1,858	Invesco Mortgage Capital Inc. REIT	70,383	792
American International Group Inc.	1,224,765	71,673	Employers Holdings Inc.	45,731	1,794	Orchid Island Capital Inc.	75,158	721
MetLife Inc.	1,101,450	69,766	Safety Insurance Group Inc.	25,314	1,743	TPG RE Finance Trust Inc.	91,608	689
Travelers Cos. Inc.	390,791	63,007	National Western Life Group Inc. Class A	3,760	1,709	Granite Point Mortgage Trust Inc.	89,313	477
Prudential Financial Inc.	617,947	58,501	AMERISAFE Inc.	32,546	1,686			94,836
Allstate Corp.	444,520	47,924	Argo Group International Holdings Ltd.	56,284	1,674	Total Common Stocks (Cost \$8,988,368)		9,285,243
Hartford Financial Services Group Inc.	525,272	37,725	* SiriusPoint Ltd.	150,908	1,669	Temporary Cash Investments (1.0%)		
Willis Towers Watson plc	180,037	37,225	ProAssurance Corp.	91,249	1,613	Money Market Fund (1.0%)		
Principal Financial Group Inc.	410,157	31,873	* Oscar Health Inc. Class A	216,625	1,358	^{3,4} Vanguard Market Liquidity Fund, 5.384% (Cost \$93,130)	931,554	93,146
* Markel Group Inc.	21,438	31,705	Mercury General Corp.	46,728	1,337	Total Investments (100.0%) (Cost \$9,081,498)		9,378,389
Brown & Brown Inc.	407,892	30,225	*.2 Lemonade Inc.	87,805	1,208	Other Assets and Liabilities—Net (0.0%)		(3,730)
Cincinnati Financial Corp.	266,026	28,143	James River Group Holdings Ltd.	63,457	924	Net Assets (100.0%)		9,374,659
* Arch Capital Group Ltd.	355,590	27,331	United Fire Group Inc.	35,979	711			
Everest Group Ltd.	72,443	26,129	* MBIA Inc.	83,844	662			
W R Berkley Corp.	353,603	21,874	HCI Group Inc.	10,094	538			
Loews Corp.	328,447	20,393	Donegal Group Inc. Class A	27,649	404			
Fidelity National Financial Inc.	437,207	18,100	* Hagerty Inc. Class A	42,093	385			
Globe Life Inc.	153,913	17,172	* Hippo Holdings Inc.	20,549	205			
Unum Group	334,183	16,439			1,608,296			
RenaissanceRe Holdings Ltd.	86,435	16,240	Mortgage Real Estate Investment Trusts (REITs) (1.0%)					
Reinsurance Group of America Inc.	112,603	15,609	Annaly Capital Management Inc.	835,197	16,929			
Kinsale Capital Group Inc.	37,214	14,835	Starwood Property Trust Inc.	527,457	10,776			
American Financial Group Inc.	122,454	14,195	AGNC Investment Corp.	1,007,541	9,985			
Old Republic International Corp.	468,850	12,823	Rithm Capital Corp.	818,284	8,437			
Assurant Inc.	89,758	12,506	Blackstone Mortgage Trust Inc. Class A	276,966	6,099			
Primerica Inc.	61,396	12,338	Arbor Realty Trust Inc.	306,028	4,884			
Erie Indemnity Co. Class A	43,053	12,000	Hannon Armstrong Sustainable Infrastructure Capital Inc.	177,212	3,964			
First American Financial Corp.	174,842	10,784	Ready Capital Corp.	269,420	2,942			
Selective Insurance Group Inc.	102,467	10,166						
RLI Corp.	69,187	9,100						
* Ryan Specialty Holdings Inc.	164,746	8,031						

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

- 1 Security value determined using significant unobservable inputs.
- 2 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$8,279,000.
- 3 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.
- 4 Collateral of \$8,717,000 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)
Arch Capital Group Ltd.	8/30/24	BANA	21,137	(5.320)	—	—
Visa Inc. Class A	8/30/24	BANA	73,704	(5.220)	—	—
					—	—

¹ Based on Overnight Bank Funding Rate as of the most recent reset date. Floating interest payment received/paid monthly.
BANA—Bank of America, N.A.

At August 31, 2023, the counterparties had deposited in segregated accounts securities with a value of \$2,209,000 in connection with open over-the-counter swap contracts.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$8,988,368)	9,285,243
Affiliated Issuers (Cost \$93,130)	93,146
Total Investments in Securities	9,378,389
Investment in Vanguard	320
Receivables for Investment Securities Sold	26,510
Receivables for Accrued Income	16,319
Receivables for Capital Shares Issued	211
Unrealized Appreciation—Over-the-Counter Swap Contracts	—
Total Assets	9,421,749
Liabilities	
Due to Custodian	2,517
Payables for Investment Securities Purchased	34,797
Collateral for Securities on Loan	8,717
Payables for Capital Shares Redeemed	652
Payables to Vanguard	407
Total Liabilities	47,090
Net Assets	9,374,659

¹ Includes \$8,279,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	10,021,823
Total Distributable Earnings (Loss)	(647,164)
Net Assets	9,374,659

ETF Shares—Net Assets

Applicable to 104,331,037 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,710,851
Net Asset Value Per Share—ETF Shares	\$83.49

Admiral Shares—Net Assets

Applicable to 15,864,002 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	663,808
Net Asset Value Per Share—Admiral Shares	\$41.84

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends	219,186
Interest ¹	1,278
Securities Lending—Net	1,956
Total Income	222,420
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	216
Management and Administrative— ETF Shares	7,346
Management and Administrative— Admiral Shares	631
Marketing and Distribution— ETF Shares	445
Marketing and Distribution— Admiral Shares	39
Auditing Fees	31
Shareholders' Reports—ETF Shares	367
Shareholders' Reports—Admiral Shares	14
Trustees' Fees and Expenses	5
Other Expenses	22
Total Expenses	9,116
Net Investment Income	213,304
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	(237,491)
Swap Contracts	12,687
Realized Net Gain (Loss)	(224,804)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	437,385
Swap Contracts	—
Change in Unrealized Appreciation (Depreciation)	437,385
Net Increase (Decrease) in Net Assets Resulting from Operations	425,885

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$1,278,000, \$9,000, less than \$1,000, and \$13,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$514,039,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	213,304	235,116
Realized Net Gain (Loss)	(224,804)	983,234
Change in Unrealized Appreciation (Depreciation)	437,385	(2,794,528)
Net Increase (Decrease) in Net Assets Resulting from Operations	425,885	(1,576,178)
Distributions		
ETF Shares	(200,453)	(223,491)
Admiral Shares	(16,982)	(16,712)
Total Distributions	(217,435)	(240,203)
Capital Share Transactions		
ETF Shares	(155,821)	(585,784)
Admiral Shares	(75,505)	31,828
Net Increase (Decrease) from Capital Share Transactions	(231,326)	(553,956)
Total Increase (Decrease)	(22,876)	(2,370,337)
Net Assets		
Beginning of Period	9,397,535	11,767,872
End of Period	9,374,659	9,397,535

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$81.31	\$94.79	\$61.18	\$67.31	\$71.60
Investment Operations					
Net Investment Income ¹	1.924	1.852	1.676	1.652	1.539
Net Realized and Unrealized Gain (Loss) on Investments	2.219	(13.457)	33.519	(6.081)	(4.338)
Total from Investment Operations	4.143	(11.605)	35.195	(4.429)	(2.799)
Distributions					
Dividends from Net Investment Income	(1.963)	(1.875)	(1.585)	(1.701)	(1.491)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.963)	(1.875)	(1.585)	(1.701)	(1.491)
Net Asset Value, End of Period	\$83.49	\$81.31	\$94.79	\$61.18	\$67.31
Total Return	5.27%	-12.43%	58.26%	-6.73%	-3.85%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$8,711	\$8,676	\$10,946	\$6,140	\$7,222
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.34%	2.03%	2.09%	2.53%	2.30%
Portfolio Turnover Rate ²	20%	6%	4%	5%	5%

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.

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$40.75	\$47.51	\$30.66	\$33.73	\$35.88
Investment Operations					
Net Investment Income ¹	.962	.931	.841	.828	.771
Net Realized and Unrealized Gain (Loss) on Investments	1.112	(6.751)	16.803	(3.046)	(2.174)
Total from Investment Operations	2.074	(5.820)	17.644	(2.218)	(1.403)
Distributions					
Dividends from Net Investment Income	(.984)	(.940)	(.794)	(.852)	(.747)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.984)	(.940)	(.794)	(.852)	(.747)
Net Asset Value, End of Period	\$41.84	\$40.75	\$47.51	\$30.66	\$33.73
Total Return²	5.27%	-12.43%	58.32%	-6.70%	-3.87%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$664	\$721	\$822	\$432	\$490
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.34%	2.05%	2.09%	2.53%	2.30%
Portfolio Turnover Rate ³	20%	6%	4%	5%	5%

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.

Notes to Financial Statements

Vanguard Financials Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

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

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$320,000, 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 August 31, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	9,279,930	—	5,313	9,285,243
Temporary Cash Investments	93,146	—	—	93,146
Total	9,373,076	—	5,313	9,378,389
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 applicable in-kind redemptions and swap agreements were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	513,899
Total Distributable Earnings (Loss)	(513,899)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to capital loss carryforwards; and 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	50,290
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	288,795
Capital Loss Carryforwards	(986,249)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	(647,164)

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	217,435	240,203
Long-Term Capital Gains	—	—
Total	217,435	240,203

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	9,089,594
Gross Unrealized Appreciation	1,068,362
Gross Unrealized Depreciation	(779,567)
Net Unrealized Appreciation (Depreciation)	288,795

E. During the year ended August 31, 2023, the fund purchased \$3,931,958,000 of investment securities and sold \$4,222,713,000 of investment securities, other than temporary cash investments. Purchases and sales include \$2,118,271,000 and \$2,320,011,000, 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 August 31, 2023, such purchases were \$714,195,000 and sales were \$14,175,000, resulting in net realized loss of \$4,530,000; 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 August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	2,179,191	26,823	2,918,740	30,807
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(2,335,012)	(29,200)	(3,504,524)	(39,575)
Net Increase (Decrease)—ETF Shares	(155,821)	(2,377)	(585,784)	(8,768)
Admiral Shares				
Issued	185,881	4,558	407,610	8,635
Issued in Lieu of Cash Distributions	14,096	359	14,052	311
Redeemed	(275,482)	(6,754)	(389,834)	(8,546)
Net Increase (Decrease)—Admiral Shares	(75,505)	(1,837)	31,828	400

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

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

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

At August 31, 2023, one shareholder was a record or beneficial owner of 25% of the fund's net assets. If this shareholder were to redeem its investment in the fund, the redemption might result in an increase in the fund's expense ratio, cause the fund to incur higher transaction costs, or lead to the realization of taxable capital gains.

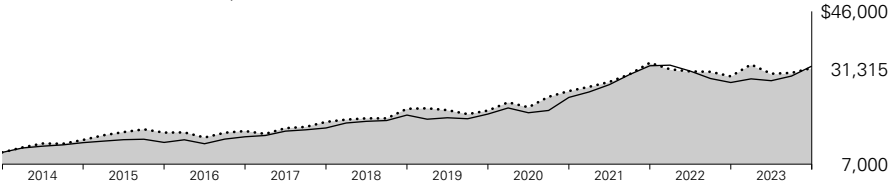
H. Management has determined that no events or transactions occurred subsequent to August 31, 2023, that would require recognition or disclosure in these financial statements.

Health Care 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Health Care Index Fund ETF Shares Net Asset Value	7.07%	8.24%	12.09%	\$31,315
Health Care Index Fund ETF Shares Market Price	7.07	8.25	12.10	31,326
MSCI US Investable Market Health Care 25/50 Index	7.16	8.32	12.17	31,520
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Health Care Index Fund Admiral Shares	7.08%	8.26%	12.10%	\$313,423
MSCI US Investable Market Health Care 25/50 Index	7.16	8.32	12.17	315,202
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Health Care Index Fund ETF Shares Market Price	7.07%	48.61%	213.26%
Health Care Index Fund ETF Shares Net Asset Value	7.07	48.60	213.15
MSCI US Investable Market Health Care 25/50 Index	7.16	49.13	215.20

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

Fund Allocation

As of August 31, 2023

Biotechnology	18.7%
Health Care Equipment & Supplies	19.6
Health Care Providers & Services	20.2
Health Care Technology	0.9
Life Sciences Tools & Services	12.0
Pharmaceuticals	28.6

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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 August 31, 2023

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.8%)								
Biotechnology (18.7%)								
AbbVie Inc.	6,125,664	900,228	* Xenon Pharmaceuticals Inc.	176,112	6,865	* Avid Bioservices Inc.	218,475	2,578
Amgen Inc.	1,855,289	475,585	* Veracyte Inc.	251,620	6,643	* Arcturus Therapeutics Holdings Inc.	83,798	2,543
Gilead Sciences Inc.	4,330,558	331,201	* Mirati Therapeutics Inc.	177,035	6,586	* Keros Therapeutics Inc.	71,993	2,528
* Vertex Pharmaceuticals Inc.	894,130	311,461	* Dynavax Technologies Corp.	445,461	6,397	* Editas Medicine Inc.	282,684	2,519
* Regeneron Pharmaceuticals Inc.	374,578	309,585	* Madrigal Pharmaceuticals Inc.	34,923	6,286	* Replimune Group Inc.	120,525	2,461
* Biogen Inc.	502,384	134,317	* Agios Pharmaceuticals Inc.	193,516	5,308	* REGENXBIO Inc.	136,216	2,411
* Moderna Inc.	1,124,840	127,186	* Beam Therapeutics Inc.	225,446	5,226	* Kymera Therapeutics Inc.	125,057	2,386
* Seagen Inc.	488,167	100,597	* Cerevel Therapeutics Holdings Inc.	218,772	5,185	* Cogent Biosciences Inc.	190,461	2,326
* Horizon Therapeutics plc	754,966	85,115	* Morphic Holding Inc.	94,110	5,184	* Novavax Inc.	285,234	2,282
* Alnylam Pharmaceuticals Inc.	407,164	80,545	* TG Therapeutics Inc.	493,208	5,164	* Crinetics Pharmaceuticals Inc.	130,893	2,267
* BioMarin Pharmaceutical Inc.	651,317	59,517	* Vericel Corp.	156,389	5,134	*.1 Anavex Life Sciences Corp.	283,952	2,243
* Exact Sciences Corp.	625,971	52,375	* Myriad Genetics Inc.	282,833	5,049	* Day One Biopharmaceuticals Inc.	150,950	2,036
* Incyte Corp.	658,363	42,484	* Catalyst Pharmaceuticals Inc.	351,557	4,936	* Inhibrx Inc.	91,034	1,948
* Neurocrine Biosciences Inc.	338,736	36,885	* Iovance Biotherapeutics Inc.	773,992	4,675	* Verve Therapeutics Inc.	151,065	1,944
* United Therapeutics Corp.	162,504	36,459	* BioCryst Pharmaceuticals Inc.	655,535	4,661	* Kura Oncology Inc.	193,363	1,920
* Sarepta Therapeutics Inc.	275,098	33,290	* Immunovant Inc.	204,001	4,633	* Deciphera Pharmaceuticals Inc.	136,536	1,917
* Exelixis Inc.	1,017,732	22,787	* Zentalis Pharmaceuticals Inc.	171,454	4,554	* Viridian Therapeutics Inc.	105,024	1,908
* Natera Inc.	377,287	22,158	* Twist Bioscience Corp.	199,631	4,390	* EQRx Inc.	762,522	1,746
* Karuna Therapeutics Inc.	110,581	20,763	* Viking Therapeutics Inc.	312,029	4,309	* Point Biopharma Global Inc.	218,503	1,739
* Halozyme Therapeutics Inc.	456,798	19,441	* Aurinia Pharmaceuticals Inc.	472,176	4,283	* CareDx Inc.	184,689	1,719
* Ionis Pharmaceuticals Inc.	446,151	17,966	* Ironwood Pharmaceuticals Inc.	484,783	4,266	* Kiniksa Pharmaceuticals Ltd. Class A	96,425	1,661
* Alkermes plc	519,222	15,156	* MannKind Corp.	917,241	4,228	* Sana Biotechnology Inc.	299,527	1,602
*.1 CRISPR Therapeutics AG	260,206	13,013	* Xencor Inc.	189,389	4,163	* Coherus Biosciences Inc.	298,281	1,590
* Vaxcyte Inc.	244,124	12,675	*.1 Rhythm Pharmaceuticals Inc.	158,716	4,128	* Agenus Inc.	1,095,384	1,512
* ImmunoGen Inc.	757,931	12,006	* Recursion Pharmaceuticals Inc. Class A	451,349	3,927	* Avidity Biosciences Inc.	197,124	1,490
* Apellis Pharmaceuticals Inc.	283,239	11,956	* Celldex Therapeutics Inc.	139,126	3,882	* Rapt Therapeutics Inc.	77,732	1,485
* Cytokinetics Inc.	315,280	11,016	* Vir Biotechnology Inc.	304,051	3,849	* Disc Medicine Inc.	27,430	1,452
* Blueprint Medicines Corp.	210,170	10,479	* Sage Therapeutics Inc.	187,805	3,756	* UniQure NV	157,735	1,374
* Insmed Inc.	473,328	10,361	* Biohaven Ltd.	201,113	3,678	* Arcutis Biotherapeutics Inc.	160,531	1,371
* Intellia Therapeutics Inc.	276,097	10,348	* Arcellx Inc.	100,012	3,584	* Biomea Fusion Inc.	79,670	1,344
* ACADIA Pharmaceuticals Inc.	367,155	9,921	* Syndax Pharmaceuticals Inc.	189,873	3,515	* Intercept Pharmaceuticals Inc.	122,464	1,326
* Arrowhead Pharmaceuticals Inc.	352,891	9,754	* Arcus Biosciences Inc.	165,216	3,387	* Seres Therapeutics Inc.	359,653	1,241
* Amicus Therapeutics Inc.	742,468	9,518	* SpringWorks Therapeutics Inc.	119,265	3,361	* Aldeyra Therapeutics Inc.	162,326	1,211
* Bridgebio Pharma Inc.	306,731	9,174	* Travere Therapeutics Inc.	233,736	3,338	* Allogene Therapeutics Inc.	310,544	1,208
* PTC Therapeutics Inc.	231,506	9,144	* Merus NV	146,936	3,287	* AnaptysBio Inc.	60,031	1,181
* Ultragenyx Pharmaceutical Inc.	246,194	9,057	* Nuvalent Inc. Class A	71,227	3,246	* Alektor Inc.	215,811	1,176
* Denali Therapeutics Inc.	381,016	8,798	* Protagonist Therapeutics Inc.	159,039	3,152	* Nurix Therapeutics Inc.	133,993	1,139
* REVOLUTION Medicines Inc.	257,842	8,759	* Rocket Pharmaceuticals Inc.	195,891	3,066	* Vanda Pharmaceuticals Inc.	201,072	1,044
* Krystal Biotech Inc.	62,175	7,740	* 89bio Inc.	176,882	3,032	*.1 Lyell Immunopharma Inc.	432,983	1,035
* Akero Therapeutics Inc.	154,024	7,644	* MiMedx Group Inc.	401,469	2,979	* Tango Therapeutics Inc.	158,143	1,026
* Prothena Corp. plc	137,323	7,253	* Relay Therapeutics Inc.	273,334	2,793	* Enanta Pharmaceuticals Inc.	68,919	1,023
			* ADMA Biologics Inc.	693,524	2,670	* iTeos Therapeutics Inc.	80,479	971
						* Humacyte Inc.	234,119	897

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
*.1 Monte Rosa Therapeutics Inc.	145,616	855	* Insulet Corp.	241,894	46,374	Health Care Providers & Services (20.2%)		
* MeiraGTx Holdings plc	135,041	849	* Teleflex Inc.	163,136	34,706	UnitedHealth Group Inc.	3,232,596	1,540,591
* 2seventy bio Inc.	156,854	814	* Penumbra Inc.	126,160	33,369	Elevance Health Inc.	823,023	363,784
* MacroGenics Inc.	170,528	795	* Shockwave Medical Inc.	127,250	28,045	CVS Health Corp.	4,450,899	290,065
* Erasca Inc.	290,292	752	* DENTSPLY SIRONA Inc.	737,906	27,369	Cigna Group	1,027,210	283,777
* Emergent BioSolutions Inc.	155,889	731	* Inspire Medical Systems Inc.	101,359	22,996	Humana Inc.	433,785	200,248
*.1 ImmunityBio Inc.	453,833	731	* Globus Medical Inc. Class A	407,156	22,027	HCA Healthcare Inc.	716,631	198,722
* Organogenesis Holdings Inc.	250,404	701	* Envista Holdings Corp.	567,931	18,185	McKesson Corp.	470,547	194,016
* Eagle Pharmaceuticals Inc.	41,140	697	* Masimo Corp.	155,574	17,779	* Centene Corp.	1,905,131	117,451
* Fate Therapeutics Inc.	269,422	676	* Neogen Corp.	712,693	16,477	Cencora Inc.	596,967	105,054
* Cullinan Oncology Inc.	61,187	633	* Lantheus Holdings Inc.	237,351	16,244	Cardinal Health Inc.	883,748	77,178
* PMV Pharmaceuticals Inc.	87,221	630	* Haemonetics Corp.	175,456	15,744	Laboratory Corp. of America Holdings	307,471	63,985
* Repare Therapeutics Inc.	64,503	630	* QuidelOrtho Corp.	173,758	14,311	* Molina Healthcare Inc.	202,348	62,752
* Y-mAbs Therapeutics Inc.	121,204	614	* Merit Medical Systems Inc.	199,680	13,035	Quest Diagnostics Inc.	388,667	51,110
*.1 Entrada Therapeutics Inc.	41,403	609	* Glaukos Corp.	159,115	11,956	* Henry Schein Inc.	454,760	34,807
*.2 PDL BioPharma Inc.	311,327	582	* Inari Medical Inc.	178,787	11,911	Universal Health Services Inc. Class B	218,402	29,419
* HilleVax Inc.	41,035	547	* CONMED Corp.	105,866	11,800	Chemed Corp.	52,146	26,670
* Heron Therapeutics Inc.	331,881	544	* iRhythm Technologies Inc.	106,044	10,962	Encompass Health Corp.	348,166	24,734
*.1 Aerovate Therapeutics Inc.	33,696	535	* Integra LifeSciences Holdings Corp.	255,403	10,865	* Tenet Healthcare Corp.	318,319	24,689
* Sangamo Therapeutics Inc.	535,107	519	* LivaNova plc	186,429	10,356	* Acadia Healthcare Co. Inc.	319,661	24,646
* Foghorn Therapeutics Inc.	63,141	478	* ICU Medical Inc.	70,893	10,282	* Option Care Health Inc.	624,556	21,753
*.1 Vaxart Inc.	540,444	445	* Axonics Inc.	175,079	10,032	* HealthEquity Inc.	296,969	20,060
* Altimmune Inc.	170,005	430	* Integer Holdings Corp.	115,686	9,869	Ensign Group Inc.	194,306	19,473
* Inovio Pharmaceuticals Inc.	939,731	423	* Enovis Corp.	170,615	9,561	* DaVita Inc.	188,797	19,337
* Atara Biotherapeutics Inc.	281,858	412	* Omnicell Inc.	156,972	8,925	* agilon health Inc.	1,053,902	18,675
*.1 Janux Therapeutics Inc.	36,263	399	* Novocure Ltd.	350,744	7,737	* Guardant Health Inc.	386,841	15,118
* Stoke Therapeutics Inc.	68,923	387	* AtriCure Inc.	164,459	7,425	* AMN Healthcare Services Inc.	137,745	12,174
*.1 Ocugen Inc.	853,027	368	* TransMedics Group Inc.	112,758	7,400	Select Medical Holdings Corp.	374,845	10,949
* IGM Biosciences Inc.	46,538	333	* STAAR Surgical Co.	142,248	6,168	* Amedisys Inc.	113,309	10,623
* FibroGen Inc.	309,357	297	* Tandem Diabetes Care Inc.	225,079	6,158	* Progyny Inc.	279,169	10,424
* Gossamer Bio Inc.	246,696	257	*.1 PROCEPT BioRobotics Corp.	132,354	4,515	* R1 RCM Inc.	582,358	10,040
* ALX Oncology Holdings Inc.	54,831	234	* Alphatec Holdings Inc.	267,715	4,377	Patterson Cos. Inc.	297,805	8,946
* Century Therapeutics Inc.	72,121	179	* LeMaitre Vascular Inc.	68,715	3,972	Premier Inc. Class A	413,429	8,901
* Adicet Bio Inc.	68,238	136	* Embecta Corp.	198,558	3,640	* Surgery Partners Inc.	241,646	8,762
*.2 Prevail Therapeutics Inc. CVR	78	—	* Establishment Labs Holdings Inc.	58,297	3,519	* Privia Health Group Inc.	321,582	8,442
		3,697,474	* Avanos Medical Inc.	161,124	3,390	* CorVel Corp.	32,698	7,077
Health Care Equipment & Supplies (19.5%)			* SI-BONE Inc.	120,991	2,768	* RadNet Inc.	209,503	6,999
Abbott Laboratories	6,037,836	621,293	* Varex Imaging Corp.	140,496	2,764	* NeoGenomics Inc.	442,347	6,648
* Intuitive Surgical Inc.	1,216,499	380,375	* Silk Road Medical Inc.	134,993	2,608	* Apollo Medical Holdings Inc.	149,366	5,655
Medtronic plc	4,619,252	376,469	* Orthofix Medical Inc.	120,047	2,540	US Physical Therapy Inc.	51,042	5,147
Stryker Corp.	1,186,237	336,358	* Treace Medical Concepts Inc.	159,998	2,488	* Addus HomeCare Corp.	56,155	4,925
* Boston Scientific Corp.	4,991,943	269,265	* Nevro Corp.	123,823	2,481	* Owens & Minor Inc.	251,306	4,247
Becton Dickinson & Co.	946,138	264,398	* OrthoPedicatrics Corp.	61,095	2,335	* Pediatrix Medical Group Inc.	277,571	3,922
Edwards Lifesciences Corp.	2,104,621	160,940	* Atrion Corp.	4,931	2,293	* AdaptHealth Corp.	280,067	3,341
* IDEXX Laboratories Inc.	288,167	147,372	* Outset Medical Inc.	162,768	2,215	* Hims & Hers Health Inc.	488,990	3,281
* DexCom Inc.	1,345,769	135,896	* Artivion Inc.	127,643	2,160	* Accolade Inc.	236,808	3,195
GE Healthcare Inc.	1,420,652	100,085	* RxSight Inc.	70,686	2,051	National HealthCare Corp.	47,697	3,146
* Align Technology Inc.	252,310	93,390	* Surmodics Inc.	49,469	1,821	* Cross Country Healthcare Inc.	118,643	3,056
Zimmer Biomet Holdings Inc.	724,794	86,337	* OraSure Technologies Inc.	254,598	1,645	* DocGo Inc.	323,814	2,898
ResMed Inc.	510,051	81,399	* Paragon 28 Inc.	114,061	1,635	* OPKO Health Inc.	1,473,160	2,696
STERIS plc	342,467	78,627	* Pulmonx Corp.	124,375	1,301	* Brookdale Senior Living Inc.	551,993	2,346
Baxter International Inc.	1,754,683	71,240	* Cerus Corp.	637,815	1,206	* Fulgent Genetics Inc.	67,168	2,200
* Hologic Inc.	854,178	63,841	* Zimvie Inc.	91,488	1,080	* Enhabit Inc.	164,867	2,112
Cooper Cos. Inc.	171,848	63,582	* AngioDynamics Inc.	133,358	1,071	* Alignment Healthcare Inc.	357,194	2,086
			* Butterfly Network Inc.	527,595	934	* PetIQ Inc.	96,238	1,836
			*.1 Senseonics Holdings Inc.	1,500,698	763	* Castle Biosciences Inc.	87,909	1,752
			* Cutura Inc.	48,150	548	*.1 Clover Health Investments Corp.	1,240,143	1,625
			* Inogen Inc.	80,535	500			
					3,871,555			

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Community Health Systems Inc.	450,886	1,524	* Sotera Health Co.	343,242	5,540	* Harmony Biosciences Holdings Inc.	125,056	4,533
* ModivCare Inc.	44,241	1,420	* Maravai LifeSciences Holdings Inc. Class A	388,293	4,015	* Arvinas Inc.	156,960	4,428
* Agiliti Inc.	139,208	1,343	* Quanterix Corp.	123,662	3,314	* Ligand Pharmaceuticals Inc.	57,012	3,750
* Pennant Group Inc.	97,906	1,173	* Mesa Laboratories Inc.	18,648	2,673	*.1 Cassava Sciences Inc.	137,829	2,890
* 23andMe Holding Co. Class A	900,952	991	* Adaptive Biotechnologies Corp.	353,197	2,391	* Collegium Pharmaceutical Inc.	119,795	2,806
*.1 Invitae Corp.	868,605	803	* Cytek Biosciences Inc.	306,843	2,332	* Innoviva Inc.	204,719	2,610
* Joint Corp.	50,064	465	* CryoPort Inc.	158,670	2,237	* Pliant Therapeutics Inc.	144,000	2,431
* CareMax Inc.	208,072	464	* OmniAb Inc.	299,118	1,735	* Amylyx Pharmaceuticals Inc.	104,066	2,244
* Aveanna Healthcare Holdings Inc.	182,287	262	* BioLife Solutions Inc.	121,151	1,600	*.1 Theravance Biopharma Inc.	169,668	1,615
*.1 Cano Health Inc.	732,986	227	* SomaLogic Inc.	553,980	1,224	* Harrow Health Inc.	103,807	1,575
		4,006,237	* MaxCyte Inc.	303,398	1,111	* Amneal Pharmaceuticals Inc.	372,898	1,525
Health Care Technology (0.9%)			* Quantum-Si Inc.	351,207	822	* Tarsus Pharmaceuticals Inc.	79,304	1,389
* Veeva Systems Inc. Class A	505,680	105,535	* Nautilus Biotechnology Inc.	129,056	417	* Phathom Pharmaceuticals Inc.	95,190	1,370
* Teladoc Health Inc.	567,944	12,858	* NanoString Technologies Inc.	162,609	416	* Aclaris Therapeutics Inc.	173,220	1,296
* Evolent Health Inc. Class A	371,931	9,488	* Seer Inc.	155,413	409	* Liquidia Corp.	156,856	1,078
* Doximity Inc. Class A	380,192	9,064	*.1 Bionano Genomics Inc.	103,619	400	* Phibro Animal Health Corp. Class A	70,019	977
* Schrodinger Inc.	216,702	7,994	* Codexis Inc.	229,086	399	* Atea Pharmaceuticals Inc.	230,570	775
* Certara Inc.	414,991	6,706	* Akoya Biosciences Inc.	68,278	355	* Fulcrum Therapeutics Inc.	138,749	767
* Veradigm Inc.	378,915	5,070	*.2 OmniAb Inc. 12.5 Earnout	22,076	—	*.1 ATAI Life Sciences NV	443,729	679
* Phreesia Inc.	177,511	5,054	*.2 OmniAb Inc. 15 Earnout	22,076	—	* Nuvation Bio Inc.	410,355	673
* NextGen Healthcare Inc.	182,099	3,316			2,377,442	* SIGA Technologies Inc.	137,601	632
* Simulations Plus Inc.	55,640	2,476	Other (0.0%)*			* Terns Pharmaceuticals Inc.	108,062	569
* Health Catalyst Inc.	193,360	2,260	*.2 Chinook Therapeutics Inc. CVR	784	—	*.4 Scilex Holding Co. (Acquired 1/6/23, Cost \$2,304)	219,844	568
* HealthStream Inc.	84,591	1,779				* Nektar Therapeutics	654,006	389
* GoodRx Holdings Inc. Class A	260,228	1,699	Personal Care Products (0.0%)			* Cara Therapeutics Inc.	144,272	371
* Multiplan Corp.	921,904	1,577	* Kenvue Inc.	1	—	* NGM Biopharmaceuticals Inc.	156,131	295
* Definitive Healthcare Corp.	154,356	1,451						5,655,196
* American Well Corp. Class A	745,163	1,058	Pharmaceuticals (28.5%)			Total Common Stocks (Cost \$16,508,744)		19,786,799
* Sharecare Inc.	1,059,414	1,004	* Eli Lilly & Co.	2,801,537	1,552,612	Warrants (0.0%)		
* OptimizeRx Corp.	59,326	506	* Johnson & Johnson	8,359,854	1,351,621	* Geron Corp. Exp. 12/31/25 (Cost \$0)	152,449	86
		178,895	* Merck & Co. Inc.	8,810,063	960,121	* Advaxis Inc. Exp. 9/11/24 (Cost \$0)	7,710	—
Life Sciences Tools & Services (12.0%)			* Pfizer Inc.	19,600,304	693,459	Total Warrants (Cost \$0)		86
* Thermo Fisher Scientific Inc.	1,339,272	746,109	* Bristol-Myers Squibb Co.	7,294,215	449,688			
* Danaher Corp.	2,433,944	644,995	* Zoetis Inc.	1,604,315	305,638			
* IQVIA Holdings Inc.	644,178	143,413	* Viatris Inc.	4,163,089	44,753			
* Agilent Technologies Inc.	1,025,432	124,149	* Royalty Pharma plc Class A	1,322,085	39,424			
* West Pharmaceutical Services Inc.	257,757	104,881	* Jazz Pharmaceuticals plc	222,484	31,895			
* Illumina Inc.	548,765	90,667	* Catalent Inc.	625,628	31,263			
* Mettler-Toledo International Inc.	68,469	83,086	* Elanco Animal Health Inc. (XNYS)	1,709,277	20,853			
* Waters Corp.	204,963	57,554	* Organon & Co.	885,473	19,445			
* Revvity Inc.	435,394	50,954	* Intra-Cellular Therapies Inc.	299,901	16,650			
* Avantar Inc.	2,343,344	50,733	* Perrigo Co. plc	470,164	16,456			
* Bio-Techne Corp.	546,419	42,839	* Reata Pharmaceuticals Inc. Class A	86,071	14,546			
* Charles River Laboratories International Inc.	177,818	36,776	* Prestige Consumer Healthcare Inc.	171,996	10,032			
* Repligen Corp.	183,670	31,942	* Corcept Therapeutics Inc.	299,241	9,794			
* Bio-Rad Laboratories Inc. Class A	76,649	30,675	*.1 Axsome Therapeutics Inc.	113,314	9,156			
* Bruker Corp.	356,545	23,389	* Amphastar Pharmaceuticals Inc.	134,166	7,152			
* Medpace Holdings Inc.	84,658	22,881	*.1 Tilray Brands Inc.	2,303,916	6,820			
* Syneos Health Inc.	360,350	15,398	* Supernus Pharmaceuticals Inc.	189,430	6,031			
* 10X Genomics Inc. Class A	289,807	15,027	* Pacira BioSciences Inc.	160,150	5,653			
* Azenta Inc.	226,440	12,778	* Revance Therapeutics Inc.	290,760	5,126			
* Pacific Biosciences of California Inc.	826,571	9,324	* Ventyx Biosciences Inc.	142,472	4,773			
* Fortrea Holdings Inc.	307,884	8,482						

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.2%)		
Money Market Fund (0.2%)		
^{5,6} Vanguard Market Liquidity Fund, 5.384% (Cost \$34,006)	340,192	34,016
Total Investments (100.0%) (Cost \$16,542,750)		19,820,901
Other Assets and Liabilities— Net (0.0%)		(7,930)
Net Assets (100.0%)		19,812,971

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 \$27,805,000.

2 Security value determined using significant unobservable inputs.

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

4 Restricted securities totaling \$568,000, representing 0.0% of net assets.

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

6 Collateral of \$31,951,000 was received for securities on loan.

CVR—Contingent Value Rights.

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)
Alnylam Pharmaceuticals Inc.	8/30/24	BANA	4,946	(5.320)	—	—
Becton Dickinson & Co.	1/31/24	CITNA	11,178	(5.327)	—	(51)
Mettler-Toledo International Inc.	1/31/24	CITNA	9,708	(5.327)	—	(46)
					—	(97)

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

BANA—Bank of America, N.A.

CITNA—Citibank, N.A.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$16,508,744)	19,786,885
Affiliated Issuers (Cost \$34,006)	34,016
Total Investments in Securities	19,820,901
Investment in Vanguard	663
Cash	491
Cash Collateral Pledged—Over-the-Counter Swap Contracts	580
Receivables for Investment Securities Sold	46,368
Receivables for Accrued Income	28,581
Receivables for Capital Shares Issued	887
Total Assets	19,898,471
Liabilities	
Payables for Investment Securities Purchased	39,363
Collateral for Securities on Loan	31,951
Payables for Capital Shares Redeemed	13,213
Payables to Vanguard	876
Unrealized Depreciation—Over-the-Counter Swap Contracts	97
Total Liabilities	85,500
Net Assets	19,812,971

¹ Includes \$27,805,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	17,165,445
Total Distributable Earnings (Loss)	2,647,526
Net Assets	19,812,971

ETF Shares—Net Assets

Applicable to 69,449,295 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	16,975,629
Net Asset Value Per Share—ETF Shares	\$244.43

Admiral Shares—Net Assets

Applicable to 23,205,321 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,837,342
Net Asset Value Per Share—Admiral Shares	\$122.27

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends	296,047
Interest ¹	387
Securities Lending—Net	1,577
Total Income	298,011
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	462
Management and Administrative— ETF Shares	15,114
Management and Administrative— Admiral Shares	2,619
Marketing and Distribution— ETF Shares	703
Marketing and Distribution— Admiral Shares	133
Custodian Fees	123
Auditing Fees	30
Shareholders' Reports—ETF Shares	460
Shareholders' Reports—Admiral Shares	29
Trustees' Fees and Expenses	10
Other Expenses	23
Total Expenses	19,706
Expenses Paid Indirectly	(10)
Net Expenses	19,696
Net Investment Income	278,315
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	726,733
Swap Contracts	1,994
Realized Net Gain (Loss)	728,727
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	315,263
Swap Contracts	(97)
Change in Unrealized Appreciation (Depreciation)	315,166
Net Increase (Decrease) in Net Assets Resulting from Operations	1,322,208

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$386,000, \$7,000, and \$4,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$825,573,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	278,315	246,701
Realized Net Gain (Loss)	728,727	1,162,200
Change in Unrealized Appreciation (Depreciation)	315,166	(3,600,457)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,322,208	(2,191,556)
Distributions		
ETF Shares	(238,117)	(212,391)
Admiral Shares	(40,777)	(36,855)
Total Distributions	(278,894)	(249,246)
Capital Share Transactions		
ETF Shares	255,391	1,015,966
Admiral Shares	(58,051)	131,473
Net Increase (Decrease) from Capital Share Transactions	197,340	1,147,439
Total Increase (Decrease)	1,240,654	(1,293,363)
Net Assets		
Beginning of Period	18,572,317	19,865,680
End of Period	19,812,971	18,572,317

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$231.59	\$262.41	\$207.65	\$169.74	\$177.07
Investment Operations					
Net Investment Income ¹	3.418	3.157	2.893	2.702	3.600 ²
Net Realized and Unrealized Gain (Loss) on Investments	12.859	(30.771)	54.714	37.758	(7.457)
Total from Investment Operations	16.277	(27.614)	57.607	40.460	(3.857)
Distributions					
Dividends from Net Investment Income	(3.437)	(3.206)	(2.846)	(2.550)	(3.473)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(3.437)	(3.206)	(2.846)	(2.550)	(3.473)
Net Asset Value, End of Period	\$244.43	\$231.59	\$262.41	\$207.65	\$169.74
Total Return	7.07%	-10.60%	27.99%	24.05%	-2.22%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$16,976	\$15,829	\$16,894	\$11,724	\$8,899
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.41%	1.27%	1.25%	1.45%	2.12% ²
Portfolio Turnover Rate ⁴	4%	3%	5%	7%	5%

¹ Calculated based on average shares outstanding.

² Net investment income per share and the ratio of net investment income to average net assets include \$1.132 and 0.67%, respectively, resulting from a cash payment received in connection with the merger of Cigna Corp. and Express Scripts Holding Co. in December 2018.

³ The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.10%.

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

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$115.84	\$131.26	\$103.87	\$84.91	\$88.57
Investment Operations					
Net Investment Income ¹	1.711	1.583	1.450	1.351	1.804 ²
Net Realized and Unrealized Gain (Loss) on Investments	6.438	(15.400)	27.365	18.884	(3.727)
Total from Investment Operations	8.149	(13.817)	28.815	20.235	(1.923)
Distributions					
Dividends from Net Investment Income	(1.719)	(1.603)	(1.425)	(1.275)	(1.737)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.719)	(1.603)	(1.425)	(1.275)	(1.737)
Net Asset Value, End of Period	\$122.27	\$115.84	\$131.26	\$103.87	\$84.91
Total Return³	7.08%	-10.59%	28.01%	24.06%	-2.21%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$2,837	\$2,744	\$2,972	\$1,676	\$1,316
Ratio of Total Expenses to Average Net Assets	0.10% ⁴	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.41%	1.28%	1.25%	1.45%	2.12% ²
Portfolio Turnover Rate ⁵	4%	3%	5%	7%	5%

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.566 and 0.67%, respectively, resulting from a cash payment received in connection with the merger of Cigna Corp. and Express Scripts Holding Co. in December 2018.

3 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.

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

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

Notes to Financial Statements

Vanguard Health Care Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

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

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$663,000, representing less than 0.01% of the fund's net assets and 0.27% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$10,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	19,785,649	568	582	19,786,799
Warrants	—	86	—	86
Temporary Cash Investments	34,016	—	—	34,016
Total	19,819,665	654	582	19,820,901
Derivative Financial Instruments				
Liabilities				
Swap Contracts	—	97	—	97

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

	Amount (\$000)
Paid-in Capital	824,988
Total Distributable Earnings (Loss)	(824,988)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to capital loss carryforwards; the deferral of losses from wash sales; the recognition of unrealized gains or losses from certain derivative contracts; and the recognition of unrealized gains from passive foreign investment companies. 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	48,792
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	3,229,106
Capital Loss Carryforwards	(630,372)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	2,647,526

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	278,894	249,246
Long-Term Capital Gains	—	—
Total	278,894	249,246

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	16,591,795
Gross Unrealized Appreciation	4,993,338
Gross Unrealized Depreciation	(1,764,232)
Net Unrealized Appreciation (Depreciation)	3,229,106

F. During the year ended August 31, 2023, the fund purchased \$2,607,710,000 of investment securities and sold \$2,413,643,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,734,249,000 and \$1,615,081,000, 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 August 31, 2023, such purchases were \$8,111,000 and sales were \$10,458,000, resulting in net realized loss of \$863,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	1,883,291	7,825	3,682,327	14,971
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,627,900)	(6,725)	(2,666,361)	(11,000)
Net Increase (Decrease)—ETF Shares	255,391	1,100	1,015,966	3,971
Admiral Shares				
Issued	391,651	3,228	548,361	4,414
Issued in Lieu of Cash Distributions	34,825	293	31,635	257
Redeemed	(484,527)	(4,001)	(448,523)	(3,629)
Net Increase (Decrease)—Admiral Shares	(58,051)	(480)	131,473	1,042

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

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

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

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

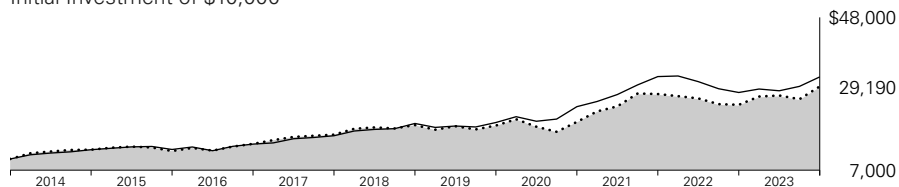
Industrials Index Fund

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: August 31, 2013, Through August 31, 2023

Initial Investment of \$10,000



Average Annual Total Returns
Periods Ended August 31, 2023

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Industrials Index Fund ETF Shares Net Asset Value	19.99%	8.95%	11.31%	\$29,190
Industrials Index Fund ETF Shares Market Price	20.01	8.96	11.31	29,203
MSCI US Investable Market Industrials 25/50 Index	20.09	9.06	11.41	29,467
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Industrials Index Fund Admiral Shares	19.99%	8.96%	11.32%	\$292,141
MSCI US Investable Market Industrials 25/50 Index	20.09	9.06	11.41	294,671
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Industrials Index Fund ETF Shares Market Price	20.01 %	53.57%	192.03%
Industrials Index Fund ETF Shares Net Asset Value	19.99	53.53	191.90
MSCI US Investable Market Industrials 25/50 Index	20.09	54.30	194.67

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

Fund Allocation

As of August 31, 2023

Aerospace & Defense	15.7%
Air Freight & Logistics	5.2
Building Products	7.0
Commercial Services & Supplies	6.7
Construction & Engineering	2.6
Electrical Equipment	7.6
Ground Transportation	10.5
Industrial Conglomerates	7.1
Machinery	20.2
Marine Transportation	0.2
Passenger Airlines	2.1
Professional Services	10.1
Trading Companies & Distributors	5.0

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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.

Schedule of Investments

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.

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	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Tutor Perini Corp.	47,312	421	Heartland Express Inc.	51,541	778	Kennametal Inc.	83,038	2,198
		123,847	Universal Logistics Holdings Inc.	9,107	247	* Trinity Industries Inc.	84,635	2,122
Electrical Equipment (7.6%)			* Daseke Inc.	41,356	219	* Gates Industrial Corp. plc	171,558	2,107
Eaton Corp. plc	436,424	100,539	* TuSimple Holdings Inc. Class A	137,559	172	Barnes Group Inc.	52,846	2,077
Emerson Electric Co.	625,669	61,472	* PAM Transportation Services Inc.	7,255	167	Helios Technologies Inc.	35,823	2,073
AMETEK Inc.	252,411	40,262			497,721	Alamo Group Inc.	11,867	2,037
Rockwell Automation Inc.	125,906	39,293	Industrial Conglomerates (7.1%)			Standex International Corp.	13,014	1,999
Hubbell Inc.	58,646	19,121	Honeywell International Inc.	728,746	136,961	* Hillman Solutions Corp.	213,885	1,936
Vertiv Holdings Co.	332,339	13,091	General Electric Co.	1,192,209	136,460	* Energy Recovery Inc.	61,677	1,676
Regal Rexnord Corp.	72,826	11,812	3M Co.	604,508	64,483	Enerpac Tool Group Corp.	61,124	1,602
nVent Electric plc	181,407	10,257			337,904	Tennant Co.	19,144	1,578
* Generac Holdings Inc.	68,055	8,086	Machinery (20.2%)			Lindsay Corp.	12,153	1,508
* Atkore Inc.	42,197	6,497	Caterpillar Inc.	564,197	158,613	Greenbrier Cos. Inc.	33,808	1,439
Sensata Technologies Holding plc	167,230	6,291	Deere & Co.	304,931	125,308	Astec Industries Inc.	25,103	1,376
Acuity Brands Inc.	34,145	5,507	Illinois Tool Works Inc.	310,669	76,844	Columbus McKinnon Corp.	31,736	1,196
*.1 Plug Power Inc.	591,742	5,006	Parker-Hannifin Corp.	140,556	58,598	Wabash National Corp.	51,849	1,169
EnerSys	44,779	4,701	PACCAR Inc.	572,172	47,084	* CIRCOR International Inc.	19,916	1,109
* Array Technologies Inc.	164,938	4,102	Otis Worldwide Corp.	452,550	38,716	* 3D Systems Corp.	146,625	925
* Sunrun Inc.	235,196	3,676	Cummins Inc.	155,104	35,680	* Proto Labs Inc.	28,474	840
* Shoals Technologies Group Inc. Class A	185,971	3,660	Ingersoll Rand Inc. (XYNS)	443,430	30,867	Gorman-Rupp Co.	25,663	825
Encore Wire Corp.	19,235	3,170	Fortive Corp.	387,354	30,543	Douglas Dynamics Inc.	24,870	753
*.1 Bloom Energy Corp. Class A	200,850	3,011	Xylem Inc.	261,936	27,121	*.1 Nikola Corp.	627,878	741
*.1 ChargePoint Holdings Inc.	329,078	2,356	Dover Corp.	152,978	22,687	*.1 Symbotic Inc.	16,976	709
*.1 Enovix Corp.	138,524	1,909	Westinghouse Air Brake Technologies Corp.	197,163	22,185	* Manitowoc Co. Inc.	38,245	647
* Vicor Corp.	24,977	1,693	IDEX Corp.	82,670	18,717	Shyft Group Inc.	35,950	564
* Fluence Energy Inc.	44,576	1,174	Stanley Black & Decker Inc.	167,577	15,816	* Blue Bird Corp.	23,048	504
* Thermo Group Holdings Inc.	36,427	1,001	Snap-on Inc.	57,887	15,548	Hyster-Yale Materials Handling Inc.	10,163	464
*.1 Stem Inc.	159,490	812	Graco Inc.	184,120	14,534	* Desktop Metal Inc. Class A	247,640	446
GrafTech International Ltd.	222,812	789	Nordson Corp.	56,088	13,693	REV Group Inc.	32,637	443
*.1 FREYR Battery SA	113,807	709	Pentair plc	180,563	12,686	Luxfer Holdings plc	29,316	353
*.1 SunPower Corp.	94,955	680	Lincoln Electric Holdings Inc.	63,229	12,169	*.1 Microvast Holdings Inc.	102,165	228
*.1 FuelCell Energy Inc.	440,731	617	Toro Co.	113,626	11,626	*.1 Velo3D Inc.	109,486	173
*.1 Energy Vault Holdings Inc.	78,137	249	ITT Inc.	90,133	9,219	* Hyliion Holdings Corp.	135,185	165
*.1 Blink Charging Co.	62,319	245	AGCO Corp.	69,638	9,020	* Markforged Holding Corp.	125,485	164
* TPI Composites Inc.	46,010	232	* Middleby Corp.	58,552	8,525	*.1 Hyzon Motors Inc.	85,324	108
* SES AI Corp.	101,306	214	Donaldson Co. Inc.	132,477	8,461			960,867
*.1 NuScale Power Corp.	31,619	189	* Chart Industries Inc.	45,958	8,299	Marine Transportation (0.2%)		
* ESS Tech Inc.	61,192	87	* Oshkosh Corp.	71,455	7,419	* Kirby Corp.	65,704	5,442
		362,510	* RBC Bearings Inc.	31,756	7,321	Matson Inc.	39,133	3,439
Ground Transportation (10.5%)			Allison Transmission Holdings Inc.	99,544	6,017	Genco Shipping & Trading Ltd.	46,113	631
Union Pacific Corp.	667,389	147,206	Flowserve Corp.	144,653	5,724	¹ Eagle Bulk Shipping Inc.	7,192	315
* Uber Technologies Inc.	1,994,423	94,197	Watts Water Technologies Inc. Class A	30,004	5,664			9,827
CSX Corp.	2,243,100	67,742	Timken Co.	71,307	5,449	Passenger Airlines (2.0%)		
Norfolk Southern Corp.	249,280	51,105	Crane Co.	52,830	4,814	Delta Air Lines Inc.	705,729	30,262
Old Dominion Freight Line Inc.	108,106	46,201	Mueller Industries Inc.	59,336	4,578	Southwest Airlines Co.	650,872	20,568
JB Hunt Transport Services Inc.	90,686	17,038	Esab Corp.	62,714	4,526	* United Airlines Holdings Inc.	358,773	17,870
* Saia Inc.	29,031	12,373	Terex Corp.	74,117	4,492	* American Airlines Group Inc.	714,224	10,520
Knight-Swift Transportation Holdings Inc.	176,009	9,649	Franklin Electric Co. Inc.	42,921	4,151	* Alaska Air Group Inc.	140,036	5,877
* XPO Inc.	126,737	9,458	Federal Signal Corp.	66,727	4,067	* Joby Aviation Inc.	378,880	2,823
Landstar System Inc.	39,364	7,472	* SPX Technologies Inc.	49,683	3,926	* SkyWest Inc.	48,595	2,192
U-Haul Holding Co.	106,167	5,652	John Bean Technologies Corp.	34,742	3,819	* JetBlue Airways Corp.	360,389	2,133
Ryder System Inc.	50,899	5,125	Hillenbrand Inc.	76,285	3,695	Spirit Airlines Inc.	120,162	1,983
* Avis Budget Group Inc.	23,949	5,110	Albany International Corp. Class A	34,127	3,164	Allegiant Travel Co.	17,143	1,523
* Lyft Inc. Class A	364,853	4,298	ESCO Technologies Inc.	28,286	3,027	* Sun Country Airlines Holdings Inc.	46,174	688
* ArcBest Corp.	26,214	2,768	EnPro Industries Inc.	21,749	2,966	* Hawaiian Holdings Inc.	56,085	481
Werner Enterprises Inc.	65,916	2,743	Kadant Inc.	12,804	2,814	* Frontier Group Holdings Inc.	46,551	292
* Hertz Global Holdings Inc.	155,254	2,632	Mueller Water Products Inc. Class A	171,441	2,421	* Blade Air Mobility Inc.	52,739	168
* RXO Inc.	128,127	2,317				*.1 Wheels Up Experience Inc.	18,252	35
Schneider National Inc. Class B	57,123	1,651						97,415
Marten Transport Ltd.	66,721	1,401						

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Professional Services (10.1%)			Trading Companies & Distributors (5.0%)		
Automatic Data Processing Inc.	452,309	115,162	Ferguson plc	224,040	36,196
Paychex Inc.	355,754	43,484	Fastenal Co.	625,870	36,038
Verisk Analytics Inc.	158,597	38,415	United Rentals Inc.	75,194	35,833
Equifax Inc.	134,167	27,732	WW Grainger Inc.	49,458	35,320
Broadridge Financial Solutions Inc.	129,050	24,030	Watsco Inc.	36,568	13,331
Jacobs Solutions Inc.	138,745	18,706	* SiteOne Landscape Supply Inc.	49,168	8,417
TransUnion	211,395	17,169	WESCO International Inc.	50,429	8,162
Paycom Software Inc.	56,988	16,802	Applied Industrial Technologies Inc.	42,222	6,518
Booz Allen Hamilton Holding Corp.	143,265	16,233	MSC Industrial Direct Co. Inc. Class A	51,757	5,282
SS&C Technologies Holdings Inc.	245,396	14,091	Triton International Ltd.	60,358	5,065
Leidos Holdings Inc.	142,556	13,901	Boise Cascade Co.	43,209	4,726
* Ceridian HCM Holding Inc.	161,150	11,687	Air Lease Corp.	115,114	4,692
* Paylocity Holding Corp.	48,858	9,796	* Beacon Roofing Supply Inc.	55,518	4,433
KBR Inc.	148,438	9,132	GATX Corp.	36,735	4,340
Robert Half Inc.	117,991	8,727	Herc Holdings Inc.	31,199	4,060
* CACI International Inc. Class A	24,919	8,174	FTAI Aviation Ltd.	108,866	4,024
* FTI Consulting Inc.	37,187	6,910	* Core & Main Inc. Class A	99,928	3,282
Science Applications International Corp.	58,680	6,904	* GMS Inc.	42,414	2,941
Maximus Inc.	66,511	5,375	Rush Enterprises Inc. Class A	68,968	2,856
* ExlService Holdings Inc.	182,176	5,325	McGrath RentCorp.	26,737	2,703
Exponent Inc.	55,501	4,987	Veritiv Corp.	14,093	2,372
* ASGN Inc.	53,963	4,434	H&E Equipment Services Inc.	33,896	1,536
ManpowerGroup Inc.	55,184	4,352	* NOW Inc.	117,276	1,310
*.1 TriNet Group Inc.	38,967	4,323	* MRC Global Inc.	91,444	852
Insperty Inc.	39,761	4,029	*.1 Xometry Inc. Class A	41,575	792
Concentrix Corp.	48,573	3,878	Global Industrial Co.	21,096	714
Korn Ferry	57,100	2,911	* Titan Machinery Inc.	22,160	687
* CBIZ Inc.	49,294	2,766	* DXP Enterprises Inc.	16,227	577
ICF International Inc.	20,481	2,766	Alta Equipment Group Inc.	19,271	274
* Clarivate plc	370,210	2,751			237,333
* Alight Inc. Class A	354,162	2,706			
Dun & Bradstreet Holdings Inc.	240,553	2,622	Total Common Stocks		
* Verra Mobility Corp.	131,595	2,341	(Cost \$4,358,086)		4,758,743
* Huron Consulting Group Inc.	21,144	2,113	Temporary Cash Investments (0.4%)		
* Upwork Inc.	131,520	1,948	Money Market Fund (0.4%)		
CSG Systems International Inc.	34,667	1,883	^{2,3} Vanguard Market Liquidity Fund, 5.384%		
* Paycor HCM Inc.	68,100	1,598	(Cost \$19,574)	195,786	19,576
* NV5 Global Inc.	15,560	1,584	Total Investments (100.3%)		
Kforce Inc.	20,968	1,314	(Cost \$4,377,660)		4,778,319
* LegalZoom.Com Inc.	82,806	945	Other Assets and Liabilities—		
CRA International Inc.	7,589	824	Net (-0.3%)		(13,885)
First Advantage Corp.	56,032	782	Net Assets (100.0%)		4,764,434
Barrett Business Services Inc.	7,456	713	Cost is in \$000.		
*.1 Planet Labs PBC	206,743	672	• See Note A in Notes to Financial Statements.		
Kelly Services Inc. Class A	35,355	654	* Non-income-producing security.		
TTEC Holdings Inc.	20,499	610	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$15,922,000.		
Heidrick & Struggles International Inc.	21,784	577	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.		
* Conduent Inc.	178,203	560	3 Collateral of \$17,662,000 was received for securities on loan.		
* Franklin Covey Co. Resources	13,008	555			
Connection Inc.	34,716	538			
* TrueBlue Inc.	34,801	526			
* Forrester Research Inc.	12,559	385			
* Sterling Check Corp.	26,179	365			
* TaskUS Inc. Class A	29,926	296			
* Hiredright Holdings Corp.	20,651	216			
* Skillsoft Corp.	93,691	123			
		482,402			

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)
Illinois Tool Works Inc.	1/31/24	CITNA	5,442	(5.327)	—	(27)

¹ Based on Overnight Bank Funding Rate as of the most recent reset date. Floating interest payment received/paid monthly.
CITNA—Citibank, N.A.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$4,358,086)	4,758,743
Affiliated Issuers (Cost \$19,574)	19,576
Total Investments in Securities	4,778,319
Investment in Vanguard	160
Cash Collateral Pledged—Over-the-Counter Swap Contracts	580
Receivables for Investment Securities Sold	13,880
Receivables for Accrued Income	7,695
Receivables for Capital Shares Issued	185
Total Assets	4,800,819
Liabilities	
Due to Custodian	3,055
Payables for Investment Securities Purchased	15,132
Collateral for Securities on Loan	17,662
Payables for Capital Shares Redeemed	306
Payables to Vanguard	203
Unrealized Depreciation—Over-the-Counter Swap Contracts	27
Total Liabilities	36,385
Net Assets	4,764,434

¹ Includes \$15,922,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	4,613,700
Total Distributable Earnings (Loss)	150,734
Net Assets	4,764,434

ETF Shares—Net Assets	
Applicable to 21,644,050 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,493,104
Net Asset Value Per Share—ETF Shares	\$207.59

Admiral Shares—Net Assets	
Applicable to 2,544,103 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	271,330
Net Asset Value Per Share—Admiral Shares	\$106.65

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends ¹	63,456
Interest ²	149
Securities Lending—Net	737
Total Income	64,342
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	96
Management and Administrative— ETF Shares	3,267
Management and Administrative— Admiral Shares	200
Marketing and Distribution— ETF Shares	192
Marketing and Distribution— Admiral Shares	13
Custodian Fees	36
Auditing Fees	30
Shareholders' Reports—ETF Shares	165
Shareholders' Reports—Admiral Shares	5
Trustees' Fees and Expenses	2
Other Expenses	23
Total Expenses	4,029
Net Investment Income	60,313
Realized Net Gain (Loss)	
Investment Securities Sold ^{2,3}	32,761
Swap Contracts	(695)
Foreign Currencies	(1)
Realized Net Gain (Loss)	32,065
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	626,415
Swap Contracts	(101)
Change in Unrealized Appreciation (Depreciation)	626,314
Net Increase (Decrease) in Net Assets Resulting from Operations	718,692

1 Dividends are net of foreign withholding taxes of \$41,000.

2 Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$148,000, \$2,000, less than \$1,000, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$151,871,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31, 2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	60,313	61,443
Realized Net Gain (Loss)	32,065	686,904
Change in Unrealized Appreciation (Depreciation)	626,314	(1,300,943)
Net Increase (Decrease) in Net Assets Resulting from Operations	718,692	(552,596)
Distributions		
ETF Shares	(57,205)	(60,577)
Admiral Shares	(3,409)	(3,978)
Total Distributions	(60,614)	(64,555)
Capital Share Transactions		
ETF Shares	411,493	(1,397,561)
Admiral Shares	8,914	(109,475)
Net Increase (Decrease) from Capital Share Transactions	420,407	(1,507,036)
Total Increase (Decrease)	1,078,485	(2,124,187)
Net Assets		
Beginning of Period	3,685,949	5,810,136
End of Period	4,764,434	3,685,949

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$175.75	\$199.27	\$146.89	\$142.53	\$146.12
Investment Operations					
Net Investment Income ¹	2.829	2.432	2.264	2.366	2.597
Net Realized and Unrealized Gain (Loss) on Investments	31.869	(23.486)	52.318	4.554	(3.754)
Total from Investment Operations	34.698	(21.054)	54.582	6.920	(1.157)
Distributions					
Dividends from Net Investment Income	(2.858)	(2.466)	(2.202)	(2.560)	(2.433)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.858)	(2.466)	(2.202)	(2.560)	(2.433)
Net Asset Value, End of Period	\$207.59	\$175.75	\$199.27	\$146.89	\$142.53
Total Return	19.99%	-10.62%	37.41%	4.96%	-0.73%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,493	\$3,461	\$5,438	\$3,090	\$3,457
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.50%	1.29%	1.25%	1.69%	1.87%
Portfolio Turnover Rate ²	10%	4%	5%	4%	4%

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.

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$90.29	\$102.37	\$75.46	\$73.22	\$75.07
Investment Operations					
Net Investment Income ¹	1.451	1.240	1.162	1.221	1.340
Net Realized and Unrealized Gain (Loss) on Investments	16.376	(12.056)	26.880	2.336	(1.941)
Total from Investment Operations	17.827	(10.816)	28.042	3.557	(.601)
Distributions					
Dividends from Net Investment Income	(1.467)	(1.264)	(1.132)	(1.317)	(1.249)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.467)	(1.264)	(1.132)	(1.317)	(1.249)
Net Asset Value, End of Period	\$106.65	\$90.29	\$102.37	\$75.46	\$73.22
Total Return²	19.99%	-10.62%	37.43%	4.98%	-0.75%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$271	\$225	\$372	\$210	\$202
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.49%	1.27%	1.25%	1.71%	1.87%
Portfolio Turnover Rate ³	10%	4%	5%	4%	4%

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.

Notes to Financial Statements

Vanguard Industrials Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

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

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$160,000, representing less than 0.01% of the fund's net assets and 0.06% 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 August 31, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	4,758,743	—	—	4,758,743
Temporary Cash Investments	19,576	—	—	19,576
Total	4,778,319	—	—	4,778,319
Derivative Financial Instruments				
Liabilities				
Swap Contracts	—	27	—	27

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

	Amount (\$000)
Paid-in Capital	151,769
Total Distributable Earnings (Loss)	(151,769)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to capital loss carryforwards; the deferral of losses from wash sales; the recognition of unrealized gains or losses from certain derivative contracts; and the recognition of unrealized gains from passive foreign investment companies. 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	13,777
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	390,205
Capital Loss Carryforwards	(253,248)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	150,734

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	60,614	64,555
Long-Term Capital Gains	—	—
Total	60,614	64,555

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	4,388,112
Gross Unrealized Appreciation	800,618
Gross Unrealized Depreciation	(410,413)
Net Unrealized Appreciation (Depreciation)	390,205

E. During the year ended August 31, 2023, the fund purchased \$1,335,672,000 of investment securities and sold \$914,370,000 of investment securities, other than temporary cash investments. Purchases and sales include \$887,970,000 and \$523,096,000, 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 August 31, 2023, such purchases were \$126,459,000 and sales were \$36,332,000, resulting in net realized loss of \$38,345,000; 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 August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	930,187	4,752	858,213	4,528
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(518,694)	(2,800)	(2,255,774)	(12,125)
Net Increase (Decrease)—ETF Shares	411,493	1,952	(1,397,561)	(7,597)
Admiral Shares				
Issued	91,744	925	89,996	911
Issued in Lieu of Cash Distributions	2,908	31	3,384	35
Redeemed	(85,738)	(905)	(202,855)	(2,091)
Net Increase (Decrease)—Admiral Shares	8,914	51	(109,475)	(1,145)

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

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

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

At August 31, 2023, one shareholder was a record or beneficial owner of 25% of the fund's net assets. If this shareholder were to redeem its investment in the fund, the redemption might result in an increase in the fund's expense ratio, cause the fund to incur higher transaction costs, or lead to the realization of taxable capital gains.

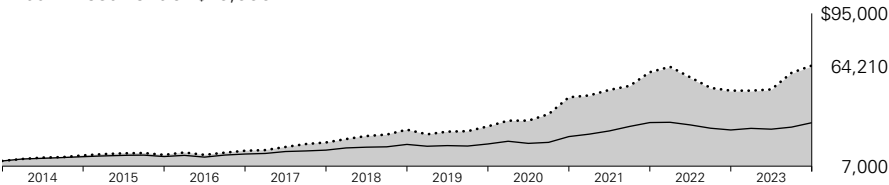
H. Management has determined that no events or transactions occurred subsequent to August 31, 2023, that would require recognition or disclosure in these financial statements.

Information Technology 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



Average Annual Total Returns Periods Ended August 31, 2023				
	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Information Technology Index Fund ETF Shares Net Asset Value	28.47%	18.16%	20.44%	\$64,210
Information Technology Index Fund ETF Shares Market Price	28.56	18.18	20.44	64,216
Information Technology Spliced Index	28.58	18.30	20.57	64,929
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Information Technology Index Fund Admiral Shares	28.47%	18.17%	20.45%	\$642,718
Information Technology Spliced Index	28.58	18.30	20.57	649,295
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

Information Technology Spliced Index: MSCI US IMI/Information Technology 25/50 through May 2, 2018; MSCI US IMI/Information Technology 25/50 Transition Index through December 2, 2018; MSCI US IMI/Information Technology 25/50 thereafter.

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

	One Year	Five Years	Ten Years
Information Technology Index Fund ETF Shares Market Price	28.56%	130.49%	542.16%
Information Technology Index Fund ETF Shares Net Asset Value	28.47	130.34	542.10
Information Technology Spliced Index	28.58	131.73	549.29

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

Fund Allocation

As of August 31, 2023

Communications Equipment	3.8%
Electronic Equipment, Instruments & Components	4.8
IT Services	5.8
Semiconductors & Semiconductor Equipment	24.5
Software	37.7
Technology Hardware, Storage & Peripherals	23.4

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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 August 31, 2023

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.8%)								
Communications Equipment (3.8%)			* Sanmina Corp.	714,492	39,797	* BigCommerce Holdings Inc. Series 1	1,335,786	14,159
* Cisco Systems Inc.	22,081,618	1,266,381	* Itron Inc.	569,626	38,968	* Grid Dynamics Holdings Inc.	1,184,357	13,774
* Arista Networks Inc.	1,501,322	293,103	* Plexus Corp.	372,957	37,874	* Hackett Group Inc.	487,544	11,491
* Motorola Solutions Inc.	963,990	273,359	* Crane NXT Co.	628,556	37,311	* Thoughtworks Holding Inc.	2,006,659	9,973
* F5 Inc.	460,408	75,350	* OSI Systems Inc.	271,717	37,049	* Unisys Corp.	1,435,559	5,785
* Juniper Networks Inc.	2,485,731	72,385	* Rogers Corp.	245,581	35,489	* ¹ Tucows Inc. Class A	191,736	4,535
* Ciena Corp.	1,325,385	66,243	* ePlus Inc.	500,029	33,192	* Rackspace Technology Inc.	1,182,507	2,956
* Lumentum Holdings Inc.	816,776	44,212	* Mirion Technologies Inc.	3,674,787	31,383			3,608,242
* Extreme Networks Inc.	1,472,017	40,407	* TTM Technologies Inc.	2,047,520	30,508	Semiconductors & Semiconductor Equipment (24.4%)		
* Calix Inc.	865,493	40,254	* Knowles Corp.	1,837,818	29,460	* NVIDIA Corp.	8,285,388	4,089,253
* Viavi Solutions Inc.	3,356,069	35,071	* CTS Corp.	631,877	28,213	* Broadcom Inc.	2,239,596	2,066,901
* NetScout Systems Inc.	1,172,465	33,568	* PAR Technology Corp.	577,888	25,127	* Advanced Micro Devices Inc.	8,696,417	919,385
* ViaSat Inc.	1,128,601	31,307	* Methode Electronics Inc.	748,059	24,125	* Texas Instruments Inc.	4,917,064	826,362
* Digi International Inc.	756,266	25,244	* Benchmark Electronics Inc.	751,511	19,344	* Intel Corp.	22,660,143	796,277
* Harmonic Inc.	2,230,467	23,821	* Arlo Technologies Inc.	1,930,405	18,860	* Applied Materials Inc.	4,605,599	703,551
* Infinera Corp.	4,281,270	20,036	* Napco Security Technologies Inc.	697,885	17,294	* QUALCOMM Inc.	6,073,089	695,551
* CommScope Holding Co. Inc.	4,422,947	14,773	* ScanSource Inc.	525,335	17,220	* Lam Research Corp.	741,429	520,780
* Adtran Holdings Inc.	1,575,469	13,470	* ¹ Lightwave Logic Inc.	2,291,921	14,462	* Analog Devices Inc.	2,768,446	503,248
* Clearfield Inc.	289,570	10,178	* PC Connection Inc.	249,475	13,252	* Micron Technology Inc.	6,120,497	428,068
* NETGEAR Inc.	581,857	7,669	* Evolv Technologies Holdings Inc.	1,721,637	12,034	* KLA Corp.	769,061	385,969
* Ribbon Communications Inc.	1,966,455	5,821	* ¹ SmartRent Inc.	3,364,662	11,440	* NXP Semiconductors NV	1,479,144	304,290
* Casa Systems Inc.	752,309	730	* nLight Inc.	918,288	10,478	* Marvell Technology Inc. Microchip Technology Inc.	3,144,573	257,352
		2,393,382	* ¹ MicroVision Inc.	3,722,468	9,381	* ON Semiconductor Corp.	2,514,710	247,598
Electronic Equipment, Instruments & Components (4.7%)			* FARO Technologies Inc.	398,186	6,315	* Monolithic Power Systems Inc.	281,910	146,934
* Amphenol Corp. Class A	3,397,551	300,276	* ¹ Ouster Inc.	654,537	3,685	* First Solar Inc.	656,799	124,214
* TE Connectivity Ltd.	1,833,772	242,773	* 908 Devices Inc.	456,940	3,285	* Skyworks Solutions Inc.	1,045,780	113,718
* CDW Corp.	820,461	173,240	* Aeva Technologies Inc.	1,623,042	1,530	* Skyscape Energy Inc.	892,439	112,920
* Corning Inc.	4,947,507	162,377	* ¹ Focus Universal Inc.	575,898	1,065	* Teradyne Inc.	1,032,742	111,402
* Keysight Technologies Inc.	1,111,072	148,106			2,961,788	* Entegris Inc.	1,014,930	102,782
* Teledyne Technologies Inc.	302,741	126,637	IT Services (5.8%)			* Lattice Semiconductor Corp.	968,318	94,179
* Jabil Inc.	905,170	103,569	* Accenture plc Class A	3,408,865	1,103,688	* Qorvo Inc.	739,750	79,442
* Zebra Technologies Corp. Class A	353,813	97,302	* International Business Machines Corp.	4,942,877	725,763	* SolarEdge Technologies Inc.	432,720	70,347
* Trimble Inc.	1,724,312	94,475	* Snowflake Inc. Class A	1,520,156	238,437	* Onto Innovation Inc.	451,921	62,808
* Flex Ltd.	3,189,611	88,001	* Cognizant Technology Solutions Corp. Class A	2,997,194	214,629	* Universal Display Corp.	381,887	62,080
* Cognex Corp.	1,385,886	65,247	* Gartner Inc.	483,303	169,001	* Axcelis Technologies Inc.	301,549	57,943
* National Instruments Corp.	1,075,579	64,104	* MongoDB Inc.	433,797	165,407	* Rambus Inc.	986,997	55,736
* Arrow Electronics Inc.	475,632	63,464	* VeriSign Inc.	603,386	125,378	* Wolfspeed Inc.	1,153,482	55,160
* Fabrinet	380,813	61,223	* Cloudflare Inc. Class A	1,827,628	118,851	* MKS Instruments Inc.	549,301	55,056
* Littelfuse Inc.	215,194	57,474	* Akamai Technologies Inc.	1,022,361	107,440	* MACOM Technology Solutions Holdings Inc.	604,556	51,121
* Novanta Inc.	335,263	55,982	* EPAM Systems Inc.	397,272	102,890	* Power Integrations Inc.	571,822	48,044
* Coherent Corp.	1,354,565	50,972	* Okta Inc.	1,120,723	93,592	* Cirrus Logic Inc.	568,022	46,601
* TD SYNNEX Corp.	498,368	50,709	* Twilio Inc. Class A	1,271,770	81,025	* Silicon Laboratories Inc.	331,155	44,660
* Vontier Corp.	1,570,199	49,320	* GoDaddy Inc. Class A	1,085,476	78,708	* Diodes Inc.	511,878	41,897
* Badger Meter Inc.	292,641	48,602	* DXC Technology Co.	2,196,936	45,564	* Amkor Technology Inc.	1,446,522	40,445
* Insight Enterprises Inc.	297,118	47,566	* Kyndryl Holdings Inc.	2,598,542	43,863	* Synaptics Inc.	459,077	40,188
* Avnet Inc.	934,480	47,425	* Fastly Inc. Class A	1,771,913	42,154	* FormFactor Inc.	1,131,271	39,956
* Advanced Energy Industries Inc.	393,553	46,467	* Perficient Inc.	554,540	35,374			
* Belden Inc.	482,333	45,291	* Squarespace Inc. Class A	920,210	27,744			
* IPG Photonics Corp.	385,269	41,748	* ¹ DigitalOcean Holdings Inc.	963,448	26,061			
* Vishay Intertechnology Inc.	1,504,980	41,297						

Information Technology Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Kulicke & Soffa Industries Inc.	732,490	37,892	* Gen Digital Inc. (XNGS)	4,104,552	83,117	* Appian Corp. Class A	648,119	31,563
* Allegro MicroSystems Inc.	976,553	37,353	* Bill Holdings Inc.	709,906	81,852	* Sprinklr Inc. Class A	2,075,310	31,399
* Sitime Corp.	262,019	34,767	* Bentley Systems Inc. Class B	1,593,455	79,529	* Agilysys Inc.	442,111	31,189
* Credo Technology Group Holding Ltd.	2,079,185	34,223	* DocuSign Inc.	1,527,891	76,853	* PROS Holdings Inc. Clear Secure Inc. Class A	853,349	30,601
* Cohu Inc.	872,170	32,610	* Unity Software Inc.	1,838,645	68,159	* Clearwater Analytics Holdings Inc. Class A	1,386,536	30,143
* MaxLinear Inc.	1,373,547	32,278	* AppLovin Corp. Class A	1,476,254	63,804	* PowerSchool Holdings Inc. Class A	1,659,009	30,111
* Ambarella Inc.	516,294	32,088	* Nutanix Inc. Class A	1,958,371	60,905	* Zeta Global Holdings Corp. Class A	3,045,954	24,764
* Ultra Clean Holdings Inc.	905,015	31,820	* Dropbox Inc. Class A	2,190,100	60,863	* Zuora Inc. Class A	2,586,242	23,561
* Impinj Inc.	477,511	31,788	* SPS Commerce Inc.	320,862	59,722	* Vertex Inc. Class A	1,022,201	22,887
* Semtech Corp.	1,209,804	31,636	* Guidewire Software Inc.	685,573	59,254	* Adeia Inc.	2,242,908	22,564
* Photronics Inc.	1,305,119	31,010	* Workiva Inc.	488,149	54,600	* Cerence Inc.	849,973	22,184
* Veeco Instruments Inc.	1,045,882	30,529	* Qualys Inc.	347,393	54,072	* A10 Networks Inc.	1,482,448	22,074
* SMART Global Holdings Inc.	1,055,767	27,270	* Procure Technologies Inc.	799,009	53,973	* Everbridge Inc.	854,890	21,210
* PDF Solutions Inc.	638,561	23,205	* UiPath Inc. Class A	3,357,436	53,081	* Intapp Inc.	566,982	20,757
* ¹ Navitas Semiconductor Corp.	2,545,005	22,472	* Aspen Technology Inc.	268,340	52,058	* Model N Inc.	763,397	20,612
* Ichor Holdings Ltd.	612,619	22,440	* Smartsheet Inc. Class A	1,225,023	51,120	* Yext Inc.	2,223,348	19,477
* indie Semiconductor Inc. Class A	2,522,643	16,902	* Confluent Inc. Class A	1,543,554	51,076	* Digital Turbine Inc.	2,107,792	18,780
* ACM Research Inc. Class A	926,013	16,261	* Five9 Inc.	688,154	49,802	* EngageSmart Inc.	1,054,877	18,682
* Alpha & Omega Semiconductor Ltd.	492,680	15,544	* Tenable Holdings Inc.	1,096,094	49,730	* E2open Parent Holdings Inc.	3,833,802	18,517
* CEVA Inc.	469,033	10,891	* Dolby Laboratories Inc. Class A	571,556	48,279	* N-Able Inc.	1,343,467	17,962
* Magnachip Semiconductor Corp.	889,888	7,315	* Elastic NV	776,139	48,028	* Jamf Holding Corp.	1,045,540	17,628
		15,248,087	* Teradata Corp.	1,037,907	48,024	* Informatica Inc. Class A	765,986	16,047
Software (37.7%)			* New Relic Inc.	557,922	47,485	* Alkami Technology Inc.	881,118	15,349
* Microsoft Corp.	31,571,290	10,347,806	* Samsara Inc. Class A	1,735,291	47,478	* Matterport Inc.	5,294,191	14,188
* Adobe Inc.	2,478,503	1,386,326	* NCR Corp.	1,447,653	44,530	* Amplitude Inc. Class A	1,191,534	13,917
* Salesforce Inc.	5,388,317	1,193,297	* ¹ MicroStrategy Inc. Class A	123,946	44,314	* AvePoint Inc.	1,984,719	13,774
* Oracle Corp.	8,775,752	1,056,513	* Altair Engineering Inc. Class A	642,412	42,708	* Olo Inc. Class A	2,092,440	13,496
* Intuit Inc.	1,523,860	825,643	* Varonis Systems Inc.	1,322,435	42,225	* Consensus Cloud Solutions Inc.	393,849	12,576
* ServiceNow Inc.	1,113,814	655,847	* DoubleVerify Holdings Inc.	1,243,828	42,054	* SolarWinds Corp.	1,035,122	11,024
* Synopsys Inc.	852,889	391,382	* Appfolio Inc. Class A	218,015	42,027	* Couchbase Inc.	635,996	10,876
* Palo Alto Networks Inc.	1,554,383	378,181	* Blackbaud Inc.	531,302	40,437	* Xperi Inc.	891,541	10,520
* Cadence Design Systems Inc.	1,535,958	369,306	* Rapid7 Inc.	798,936	40,258	* Mitek Systems Inc.	895,358	10,001
* Roper Technologies Inc.	607,496	303,177	* Box Inc. Class A	1,496,534	39,628	* ¹ Digimarc Corp.	300,064	9,824
* Workday Inc. Class A	1,183,404	289,342	* Freshworks Inc. Class A	1,804,457	39,464	* Ebix Inc.	521,298	8,706
* Autodesk Inc.	1,236,254	274,374	* Sprout Social Inc. Class A	736,703	39,443	* ¹ SoundHound AI Inc. Class A	3,371,687	8,497
* Fortinet Inc.	3,898,684	234,740	* Aurora Innovation Inc.	12,374,908	39,228	* OneSpan Inc.	672,817	8,242
* VMware Inc. Class A	1,384,028	233,596	* ACI Worldwide Inc.	1,549,886	37,631	* American Software Inc. Class A	682,233	7,866
* CrowdStrike Holdings Inc. Class A	1,325,392	216,079	* Alarm.com Holdings Inc.	636,823	37,299	* MeridianLink Inc.	425,113	7,529
* Atlassian Corp. Ltd. Class A	920,856	187,910	* ¹ C3.ai Inc. Class A	1,198,497	37,177	* Domo Inc. Class B	654,577	6,978
* ANSYS Inc.	531,468	169,469	* HashiCorp Inc. Class A	1,274,890	37,176	* 8x8 Inc.	2,085,305	6,777
* Palantir Technologies Inc. Class A	11,080,819	165,991	* CommVault Systems Inc.	543,974	37,159	* LivePerson Inc.	1,517,032	6,372
* HubSpot Inc.	292,588	159,905	* Progress Software Corp.	602,658	36,666	* ¹ SEMrush Holdings Inc. Class A	624,022	5,897
* Datadog Inc. Class A	1,561,252	150,630	* RingCentral Inc. Class A	1,181,841	36,554	* Weave Communications Inc.	492,479	5,028
* Fair Isaac Corp.	157,922	142,855	* ¹ Marathon Digital Holdings Inc.	2,897,856	36,426	* CS Disco Inc.	496,841	4,720
* Splunk Inc.	1,053,678	127,769	* InterDigital Inc.	414,737	35,962	* ¹ Terawulf Inc.	2,235,261	4,672
* Zoom Video Communications Inc. Class A	1,585,949	112,650	* PagerDuty Inc.	1,388,780	35,775	* ON24 Inc.	658,373	4,516
* Tyler Technologies Inc.	280,009	111,564	* Braze Inc. Class A	752,380	34,805	* Enfusion Inc. Class A	474,840	4,055
* PTC Inc.	749,702	110,334	* Pegasisystems Inc.	698,477	34,686	* ¹ Cipher Mining Inc.	1,010,046	3,222
* Zscaler Inc.	616,406	96,190	* LiveRamp Holdings Inc.	1,070,532	34,621	* Expensify Inc. Class A	688,791	2,955
* Manhattan Associates Inc.	445,263	90,219	* Envestnet Inc.	632,407	34,548	* Rimini Street Inc.	1,183,894	2,865
* Black Knight Inc.	1,149,562	87,091	* JFrog Ltd.	1,195,203	34,290	* Telos Corp.	1,097,016	2,863
* Dynatrace Inc.	1,790,523	86,303	* ¹ Riot Platforms Inc.	3,000,641	34,057	* WM Technology Inc.	1,650,734	2,509
			* Q2 Holdings Inc.	985,194	33,901	* Upland Software Inc.	644,219	2,287
			* nCino Inc.	1,030,498	33,873	* ¹ Veritone Inc.	731,055	2,244
			* Verint Systems Inc.	1,022,548	33,120	* SecureWorks Corp. Class A	257,171	1,775
			* Alteryx Inc. Class A	1,098,584	32,430	* ¹ Porch Group Inc.	1,830,941	1,547
			* Asana Inc. Class A	1,502,020	32,278	* ForgeRock Inc. Class A	1,860	43
								23,506,450

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Technology Hardware, Storage & Peripherals (23.4%)			Temporary Cash Investments (0.4%)		
Apple Inc.	72,536,988	13,627,524	Money Market Fund (0.4%)		
HP Inc.	5,385,293	159,997	^{2,3} Vanguard Market Liquidity Fund, 5.384% (Cost \$249,112)		
Hewlett Packard Enterprise Co.	8,107,533	137,747		2,491,813	249,156
NetApp Inc.	1,409,320	108,095	Total Investments (100.2%)		
* Western Digital Corp.	2,234,127	100,536	(Cost \$46,262,967)		
Dell Technologies Inc. Class C	1,743,755	98,069	Other Assets and Liabilities—		
Seagate Technology Holdings plc	1,320,266	93,462	Net (-0.2%)		
* Super Micro Computer Inc.	336,670	92,611	Net Assets (100.0%)		
* Pure Storage Inc. Class A	2,133,341	78,059	62,435,934		
* ¹ IonQ Inc.	2,493,973	42,871	Cost is in \$000.		
Xerox Holdings Corp.	2,054,914	32,653	• See Note A in Notes to Financial Statements.		
* Avid Technology Inc.	740,637	19,745	* Non-income-producing security.		
* Corsair Gaming Inc.	968,112	15,219	¹ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$142,994,000.		
* ¹ CPI Card Group Inc.	88,794	1,835	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.		
		14,608,423	³ Collateral of \$158,224,000 was received for securities on loan, of which \$158,171,000 is held in Vanguard Market Liquidity Fund and \$53,000 is held in cash.		
Total Common Stocks					
(Cost \$46,013,855)		62,326,372			

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
E-mini NASDAQ 100 Index	September 2023	227	70,545	1,902

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)
Palo Alto Networks Inc.	8/30/24	BANA	36,495	(5.320)	—	—

¹ Based on Overnight Bank Funding Rate as of the most recent reset date. Floating interest payment received/paid monthly.
BANA—Bank of America, N.A.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$46,013,855)	62,326,372
Affiliated Issuers (Cost \$249,112)	249,156
Total Investments in Securities	62,575,528
Investment in Vanguard	2,081
Cash	53
Cash Collateral Pledged—Futures Contracts	5,990
Cash Collateral Pledged—Over-the-Counter Swap Contracts	1,980
Receivables for Investment Securities Sold	1,772,488
Receivables for Accrued Income	51,369
Receivables for Capital Shares Issued	9,698
Variation Margin Receivable—Futures Contracts	271
Unrealized Appreciation—Over-the-Counter Swap Contracts	—
Total Assets	64,419,458
Liabilities	
Due to Custodian	4,273
Payables for Investment Securities Purchased	1,770,971
Collateral for Securities on Loan	158,224
Payables for Capital Shares Redeemed	47,435
Payables to Vanguard	2,621
Total Liabilities	1,983,524
Net Assets	62,435,934

¹ Includes \$142,994,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	48,450,941
Total Distributable Earnings (Loss)	13,984,993
Net Assets	62,435,934

ETF Shares—Net Assets

Applicable to 120,619,432 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	53,652,722
Net Asset Value Per Share—ETF Shares	\$444.81

Admiral Shares—Net Assets

Applicable to 38,563,467 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,783,212
Net Asset Value Per Share—Admiral Shares	\$227.76

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends ¹	470,521
Interest ²	6,109
Securities Lending—Net	7,217
Total Income	483,847
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,224
Management and Administrative— ETF Shares	40,828
Management and Administrative— Admiral Shares	6,138
Marketing and Distribution— ETF Shares	2,129
Marketing and Distribution— Admiral Shares	375
Custodian Fees	147
Auditing Fees	30
Shareholders' Reports—ETF Shares	931
Shareholders' Reports—Admiral Shares	38
Trustees' Fees and Expenses	27
Other Expenses	22
Total Expenses	51,889
Expenses Paid Indirectly	(12)
Net Expenses	51,877
Net Investment Income	431,970
Realized Net Gain (Loss)	
Investment Securities Sold ^{2,3}	7,712,419
Futures Contracts	10,468
Swap Contracts	11,355
Realized Net Gain (Loss)	7,734,242
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	5,501,548
Futures Contracts	3,012
Swap Contracts	—
Change in Unrealized Appreciation (Depreciation)	5,504,560
Net Increase (Decrease) in Net Assets Resulting from Operations	13,670,772

1 Dividends are net of foreign withholding taxes of \$738,000.

2 Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$5,962,000, (\$8,000), less than \$1,000, and \$19,000, respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$9,049,814,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31, 2023 2022 (\$000) (\$000)	
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	431,970	419,743
Realized Net Gain (Loss)	7,734,242	6,476,344
Change in Unrealized Appreciation (Depreciation)	5,504,560	(17,436,415)
Net Increase (Decrease) in Net Assets Resulting from Operations	13,670,772	(10,540,328)
Distributions		
ETF Shares	(377,208)	(362,859)
Admiral Shares	(55,088)	(51,539)
Total Distributions	(432,296)	(414,398)
Capital Share Transactions		
ETF Shares	(1,393,287)	1,913,376
Admiral Shares	1,038,391	54,602
Net Increase (Decrease) from Capital Share Transactions	(354,896)	1,967,978
Total Increase (Decrease)	12,883,580	(8,986,748)
Net Assets		
Beginning of Period	49,552,354	58,539,102
End of Period	62,435,934	49,552,354

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

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$349.23	\$426.48	\$328.54	\$213.66	\$202.82
Investment Operations					
Net Investment Income ¹	3.090	3.003	2.634	2.926	2.572
Net Realized and Unrealized Gain (Loss) on Investments	95.573	(77.272)	97.919	114.955	10.792
Total from Investment Operations	98.663	(74.269)	100.553	117.881	13.364
Distributions					
Dividends from Net Investment Income	(3.083)	(2.981)	(2.613)	(3.001)	(2.524)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(3.083)	(2.981)	(2.613)	(3.001)	(2.524)
Net Asset Value, End of Period	\$444.81	\$349.23	\$426.48	\$328.54	\$213.66
Total Return	28.47%	-17.50%	30.80%	55.72%	6.70%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$53,653	\$43,558	\$51,238	\$38,711	\$20,738
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10% ²	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.83%	0.76%	0.73%	1.17%	1.32%
Portfolio Turnover Rate ³	15%	6%	4%	5%	5%

1 Calculated based on average shares outstanding.

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

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

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$178.82	\$218.38	\$168.23	\$109.40	\$103.86
Investment Operations					
Net Investment Income ¹	1.591	1.538	1.353	1.504	1.326
Net Realized and Unrealized Gain (Loss) on Investments	48.931	(39.572)	50.136	58.864	5.509
Total from Investment Operations	50.522	(38.034)	51.489	60.368	6.835
Distributions					
Dividends from Net Investment Income	(1.582)	(1.526)	(1.339)	(1.538)	(1.295)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.582)	(1.526)	(1.339)	(1.538)	(1.295)
Net Asset Value, End of Period	\$227.76	\$178.82	\$218.38	\$168.23	\$109.40
Total Return²	28.47%	-17.50%	30.81%	55.78%	6.70%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$8,783	\$5,994	\$7,301	\$5,149	\$2,470
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10% ³	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.83%	0.75%	0.73%	1.17%	1.32%
Portfolio Turnover Rate ⁴	15%	6%	4%	5%	5%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

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

Notes to Financial Statements

Vanguard Information Technology Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

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

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

During the year ended August 31, 2023, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

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

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

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

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

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

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

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the

overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$2,081,000, representing less than 0.01% of the fund’s net assets and 0.83% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund’s custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund’s expenses by \$12,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund’s investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund’s own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	62,326,372	—	—	62,326,372
Temporary Cash Investments	249,156	—	—	249,156
Total	62,575,528	—	—	62,575,528
Derivative Financial Instruments				
Assets				
Futures Contracts ¹	1,902	—	—	1,902
Swap Contracts	—	—	—	—
Total	1,902	—	—	1,902

¹ Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

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

	Amount (\$000)
Paid-in Capital	9,047,793
Total Distributable Earnings (Loss)	(9,047,793)

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

	Amount (\$000)
Undistributed Ordinary Income	108,152
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	16,156,230
Capital Loss Carryforwards	(2,279,389)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	13,984,993

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	432,296	414,398
Long-Term Capital Gains	—	—
Total	432,296	414,398

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	46,419,298
Gross Unrealized Appreciation	18,388,541
Gross Unrealized Depreciation	(2,232,311)
Net Unrealized Appreciation (Depreciation)	16,156,230

F. During the year ended August 31, 2023, the fund purchased \$25,457,018,000 of investment securities and sold \$25,795,504,000 of investment securities, other than temporary cash investments. Purchases and sales include \$16,403,899,000 and \$17,750,262,000, 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 August 31, 2023, such purchases were \$21,126,000 and sales were \$857,989,000, resulting in net realized loss of \$307,335,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	Amount (\$000)	2023 Shares (000)	Amount (\$000)	2022 Shares (000)
ETF Shares				
Issued	16,506,313	41,443	12,984,660	32,734
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(17,899,600)	(45,550)	(11,071,284)	(28,150)
Net Increase (Decrease)—ETF Shares	(1,393,287)	(4,107)	1,913,376	4,584
Admiral Shares				
Issued	2,150,542	10,897	1,802,529	8,692
Issued in Lieu of Cash Distributions	50,075	271	46,814	229
Redeemed	(1,162,226)	(6,126)	(1,794,741)	(8,834)
Net Increase (Decrease)—Admiral Shares	1,038,391	5,042	54,602	87

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

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

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

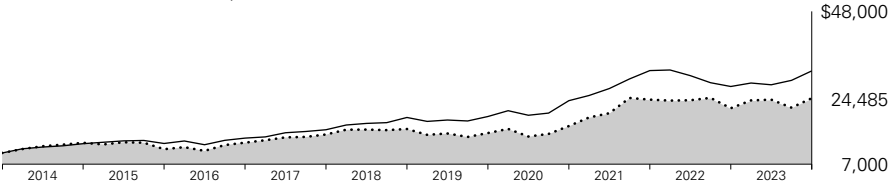
I. Management has determined that no events or transactions occurred subsequent to August 31, 2023, that would require recognition or disclosure in these financial statements.

Materials 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Materials Index Fund ETF Shares Net Asset Value	12.09%	8.37%	9.37%	\$24,485
Materials Index Fund ETF Shares Market Price	12.09	8.37	9.37	24,481
MSCI US Investable Market Materials 25/50 Index	12.20	8.49	9.46	24,696
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Materials Index Fund Admiral Shares	12.10%	8.38%	9.37%	\$244,980
MSCI US Investable Market Materials 25/50 Index	12.20	8.49	9.46	246,961
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Materials Index Fund ETF Shares Market Price	12.09%	49.48%	144.81%
Materials Index Fund ETF Shares Net Asset Value	12.09	49.47	144.85
MSCI US Investable Market Materials 25/50 Index	12.20	50.27	146.96

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

Fund Allocation

As of August 31, 2023

Chemicals	62.5%
Construction Materials	5.9
Containers & Packaging	11.5
Metals & Mining	19.6
Paper & Forest Products	0.5

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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.

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)
Albemarle Corp.	1/31/24	CITNA	9,339	(5.326)	—	(42)
United States Steel Corp.	8/30/24	BANA	6,591	(5.320)	—	—
					—	(42)

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

BANA—Bank of America, N.A.

CITNA—Citibank, N.A.

At August 31, 2023, the counterparties had deposited in segregated accounts securities with a value of \$1,245,000 in connection with open over-the-counter swap contracts.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$3,945,399)	4,117,729
Affiliated Issuers (Cost \$25,870)	25,872
Total Investments in Securities	4,143,601
Investment in Vanguard	141
Cash	1,014
Cash Collateral Pledged—Over-the-Counter Swap Contracts	980
Receivables for Investment Securities Sold	7,428
Receivables for Accrued Income	7,709
Receivables for Capital Shares Issued	424
Total Assets	4,161,297
Liabilities	
Payables for Investment Securities Purchased	18,936
Collateral for Securities on Loan	6,570
Payables for Capital Shares Redeemed	459
Payables to Vanguard	177
Unrealized Depreciation—Over-the-Counter Swap Contracts	42
Total Liabilities	26,184
Net Assets	4,135,113

¹ Includes \$5,229,000 of securities on loan.

At August 31, 2023, net assets consisted of:

Paid-in Capital	4,129,140
Total Distributable Earnings (Loss)	5,973
Net Assets	4,135,113

ETF Shares—Net Assets

Applicable to 16,814,091 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,070,389
Net Asset Value Per Share—ETF Shares	\$182.61

Admiral Shares—Net Assets

Applicable to 11,443,919 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,064,724
Net Asset Value Per Share—Admiral Shares	\$93.04

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends ¹	75,937
Interest ²	150
Securities Lending—Net	449
Total Income	76,536
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	90
Management and Administrative— ETF Shares	2,393
Management and Administrative— Admiral Shares	901
Marketing and Distribution— ETF Shares	142
Marketing and Distribution— Admiral Shares	57
Custodian Fees	46
Auditing Fees	30
Shareholders' Reports—ETF Shares	195
Shareholders' Reports—Admiral Shares	13
Trustees' Fees and Expenses	2
Other Expenses	22
Total Expenses	3,891
Expenses Paid Indirectly	(2)
Net Expenses	3,889
Net Investment Income	72,647
Realized Net Gain (Loss)	
Investment Securities Sold ^{2,3}	98,597
Futures Contracts	22
Swap Contracts	1,120
Realized Net Gain (Loss)	99,739
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	247,732
Swap Contracts	(42)
Change in Unrealized Appreciation (Depreciation)	247,690
Net Increase (Decrease) in Net Assets Resulting from Operations	420,076

¹ Dividends are net of foreign withholding taxes of \$3,000.

² Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$150,000, less than \$1,000, and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

³ Includes \$142,531,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31, 2023 2022 (\$000) (\$000)	
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	72,647	84,474
Realized Net Gain (Loss)	99,739	315,519
Change in Unrealized Appreciation (Depreciation)	247,690	(886,777)
Net Increase (Decrease) in Net Assets Resulting from Operations	420,076	(486,784)
Distributions		
ETF Shares	(53,383)	(66,907)
Admiral Shares	(19,101)	(19,170)
Total Distributions	(72,484)	(86,077)
Capital Share Transactions		
ETF Shares	(71,615)	(590,097)
Admiral Shares	(24,601)	44,413
Net Increase (Decrease) from Capital Share Transactions	(96,216)	(545,684)
Total Increase (Decrease)	251,376	(1,118,545)
Net Assets		
Beginning of Period	3,883,737	5,002,282
End of Period	4,135,113	3,883,737

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$166.09	\$187.02	\$134.84	\$122.80	\$134.33
Investment Operations					
Net Investment Income ¹	3.253	3.213	2.801	2.522	2.501
Net Realized and Unrealized Gain (Loss) on Investments	16.513	(20.893)	52.014	12.053	(11.541)
Total from Investment Operations	19.766	(17.680)	54.815	14.575	(9.040)
Distributions					
Dividends from Net Investment Income	(3.246)	(3.250)	(2.635)	(2.535)	(2.490)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(3.246)	(3.250)	(2.635)	(2.535)	(2.490)
Net Asset Value, End of Period	\$182.61	\$166.09	\$187.02	\$134.84	\$122.80
Total Return	12.09%	-9.55%	41.00%	12.12%	-6.73%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,070	\$2,889	\$3,924	\$1,676	\$1,921
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.87%	1.76%	1.66%	2.05%	2.04%
Portfolio Turnover Rate ³	5%	4%	5%	4%	4%

1 Calculated based on average shares outstanding.

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

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

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$84.62	\$95.29	\$68.70	\$62.57	\$68.45
Investment Operations					
Net Investment Income ¹	1.654	1.652	1.424	1.294	1.282
Net Realized and Unrealized Gain (Loss) on Investments	8.420	(10.665)	26.507	6.130	(5.892)
Total from Investment Operations	10.074	(9.013)	27.931	7.424	(4.610)
Distributions					
Dividends from Net Investment Income	(1.654)	(1.657)	(1.341)	(1.294)	(1.270)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.654)	(1.657)	(1.341)	(1.294)	(1.270)
Net Asset Value, End of Period	\$93.04	\$84.62	\$95.29	\$68.70	\$62.57
Total Return²	12.10%	-9.56%	41.04%	12.14%	-6.74%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,065	\$994	\$1,078	\$583	\$482
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.86%	1.78%	1.67%	2.08%	2.04%
Portfolio Turnover Rate ⁴	5%	4%	5%	4%	4%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

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

Notes to Financial Statements

Vanguard Materials Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

During the year ended August 31, 2023, the fund's average investments in long and short futures contracts represented 0% of net assets, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at August 31, 2023.

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

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

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

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

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

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

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$141,000, representing less than 0.01% of the fund’s net assets and 0.06% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund’s custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund’s expenses by \$2,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund’s investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund’s own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	4,117,729	—	—	4,117,729
Temporary Cash Investments	25,872	—	—	25,872
Total	4,143,601	—	—	4,143,601
Derivative Financial Instruments				
Liabilities				
Swap Contracts	—	42	—	42

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

	Amount (\$000)
Paid-in Capital	141,403
Total Distributable Earnings (Loss)	(141,403)

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

	Amount (\$000)
Undistributed Ordinary Income	13,837
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	160,422
Capital Loss Carryforwards	(168,286)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	5,973

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023	2022
	Amount (\$000)	Amount (\$000)
Ordinary Income*	72,484	86,077
Long-Term Capital Gains	—	—
Total	72,484	86,077

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	3,983,178
Gross Unrealized Appreciation	621,289
Gross Unrealized Depreciation	(460,867)
Net Unrealized Appreciation (Depreciation)	160,422

F. During the year ended August 31, 2023, the fund purchased \$673,186,000 of investment securities and sold \$779,804,000 of investment securities, other than temporary cash investments. Purchases and sales include \$467,915,000 and \$558,688,000, 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 August 31, 2023, such purchases were \$13,507,000 and sales were \$400,000, resulting in net realized loss of \$4,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	492,462	2,743	524,091	2,812
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(564,077)	(3,325)	(1,114,188)	(6,400)
Net Increase (Decrease)—ETF Shares	(71,615)	(582)	(590,097)	(3,588)
Admiral Shares				
Issued	237,053	2,655	305,754	3,264
Issued in Lieu of Cash Distributions	17,073	200	17,067	189
Redeemed	(278,727)	(3,163)	(278,408)	(3,013)
Net Increase (Decrease)—Admiral Shares	(24,601)	(308)	44,413	440

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

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

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

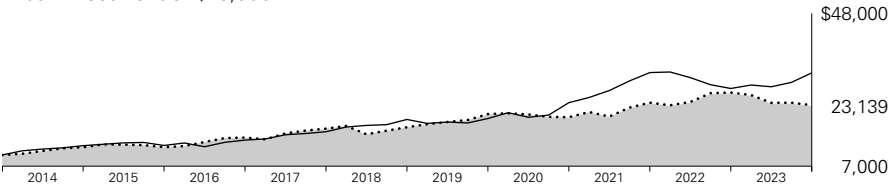
I. Management has determined that no events or transactions occurred subsequent to August 31, 2023, that would require recognition or disclosure in these financial statements.

Utilities 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: August 31, 2013, Through August 31, 2023
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Utilities Index Fund ETF Shares Net Asset Value	-12.75%	5.91%	8.75%	\$23,139
Utilities Index Fund ETF Shares Market Price	-12.76	5.91	8.75	23,142
MSCI US Investable Market Utilities 25/50 Index	-12.65	6.03	8.86	23,373
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	32,022

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Utilities Index Fund Admiral Shares	-12.73%	5.94%	8.77%	\$231,735
MSCI US Investable Market Utilities 25/50 Index	-12.65	6.03	8.86	233,729
MSCI US Investable Market 2500 Index	15.01	10.39	12.34	320,217

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

	One Year	Five Years	Ten Years
Utilities Index Fund ETF Shares Market Price	-12.76%	33.27%	131.42%
Utilities Index Fund ETF Shares Net Asset Value	-12.75	33.27	131.39
MSCI US Investable Market Utilities 25/50 Index	-12.65	34.04	133.73

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

Fund Allocation

As of August 31, 2023

Electric Utilities	61.5%
Gas Utilities	4.4
Independent Power and Renewable Electricity Producers	3.5
Multi-Utilities	26.1
Water Utilities	4.5

The table reflects the fund's investments, except short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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

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 August 31, 2023

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (99.6%)								
Electric Utilities (61.2%)								
NextEra Energy Inc.	12,754,254	851,984	Southwest Gas Holdings Inc.	449,713	27,851	NiSource Inc.	2,603,741	69,676
Southern Co.	6,873,074	465,513	New Jersey Resources Corp.	611,645	25,793	Black Hills Corp.	421,607	23,188
Duke Energy Corp.	4,857,587	431,354	ONE Gas Inc.	349,199	25,307	NorthWestern Corp.	377,112	19,006
American Electric Power Co. Inc.	3,244,805	254,393	Spire Inc.	342,185	19,987	Avista Corp.	477,214	15,886
Exelon Corp.	6,268,943	251,510	Chesapeake Utilities Corp.	112,208	12,354	Unitil Corp.	101,794	4,970
Constellation Energy Corp.	2,044,848	212,992	Northwest Natural Holding Co.	227,048	8,918			1,692,512
Xcel Energy Inc.	3,468,966	198,182			288,559	Water Utilities (4.5%)		
* PG&E Corp.	10,850,870	176,869	Independent Power and Renewable Electricity Producers (3.5%)			American Water Works Co. Inc.	1,226,865	170,215
Edison International	2,413,992	166,203	AES Corp.	4,219,008	75,647	Essential Utilities Inc.	1,583,086	58,416
Eversource Energy	2,198,762	140,325	Vistra Corp.	2,116,284	66,494	American States Water Co.	233,250	19,642
Entergy Corp.	1,332,748	126,944	NextEra Energy Partners LP	560,062	27,936	California Water Service Group	352,567	17,716
FirstEnergy Corp.	3,430,055	123,722	Ormat Technologies Inc. (XNYS)	338,871	25,734	SJW Group	187,988	12,362
PPL Corp.	4,645,557	115,767	Clearway Energy Inc. Class C	515,212	12,762	Middlesex Water Co.	111,541	8,395
Evergy Inc.	1,447,675	79,579	* Sunnova Energy International Inc.	659,331	9,171	York Water Co.	90,352	3,681
Alliant Energy Corp.	1,584,397	79,489	Clearway Energy Inc. Class A	212,035	4,970			290,427
Pinnacle West Capital Corp.	713,968	55,168	* Montauk Renewables Inc.	317,788	3,035	Total Common Stocks (Cost \$6,794,229)		
NRG Energy Inc.	1,451,456	54,502	* Altus Power Inc.	398,667	2,575			6,489,758
OGE Energy Corp.	1,262,719	42,996			228,324	Temporary Cash Investments (0.0%)		
IDACORP Inc.	319,065	30,579	Multi-Utilities (26.0%)			Money Market Fund (0.0%)		
Portland General Electric Co.	608,671	26,696	Sempra Energy (XNYS)	3,966,701	278,542	¹ Vanguard Market Liquidity Fund, 5.384% (Cost \$2,211)	22,111	2,211
PNM Resources Inc.	513,930	22,772	Dominion Energy Inc.	5,269,176	255,766	Total Investments (99.6%) (Cost \$6,796,440)		
ALLETE Inc.	361,610	19,853	Consolidated Edison Inc.	2,184,269	194,313			6,491,969
Otter Tail Corp.	236,653	19,493	Public Service Enterprise Group Inc.	3,145,071	192,101	Other Assets and Liabilities—Net (0.4%)		
Avangrid Inc.	487,999	16,836	WEC Energy Group Inc.	1,988,236	167,250			24,066
MGE Energy Inc.	227,865	16,504	DTE Energy Co.	1,299,127	134,304	Net Assets (100.0%)		
Hawaiian Electric Industries Inc.	692,622	9,711	Ameren Corp.	1,555,255	123,285			6,516,035
		3,989,936	CenterPoint Energy Inc.	3,977,421	110,930	Cost is in \$000.		
Gas Utilities (4.4%)			CMS Energy Corp.	1,838,308	103,295	<ul style="list-style-type: none"> See Note A in Notes to Financial Statements. * Non-income-producing security. 		
Atmos Energy Corp.	910,617	105,586				¹ Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
UGI Corp.	1,320,055	33,239						
National Fuel Gas Co.	549,378	29,524						

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)
Ameren Corp.	1/31/24	GSI	7,876	(5.320)	32	—
PG&E Corp.	8/30/24	BANA	17,930	(5.320)	—	—
					32	—

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

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

Statement of Assets and Liabilities

As of August 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$6,794,229)	6,489,758
Affiliated Issuers (Cost \$2,211)	2,211
Total Investments in Securities	6,491,969
Investment in Vanguard	232
Cash Collateral Pledged—Over-the-Counter Swap Contracts	1,090
Receivables for Investment Securities Sold	13,939
Receivables for Accrued Income	37,701
Receivables for Capital Shares Issued	532
Unrealized Appreciation—Over-the-Counter Swap Contracts	32
Total Assets	6,545,495
Liabilities	
Due to Custodian	10,182
Payables for Investment Securities Purchased	18,142
Payables for Capital Shares Redeemed	848
Payables to Vanguard	288
Total Liabilities	29,460
Net Assets	6,516,035

At August 31, 2023, net assets consisted of:

Paid-in Capital	7,028,118
Total Distributable Earnings (Loss)	(512,083)
Net Assets	6,516,035

ETF Shares—Net Assets

Applicable to 37,169,086 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,070,840
Net Asset Value Per Share—ETF Shares	\$136.43

Admiral Shares—Net Assets

Applicable to 21,114,297 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,445,195
Net Asset Value Per Share—Admiral Shares	\$68.45

Statement of Operations

	Year Ended August 31, 2023 (\$000)
Investment Income	
Income	
Dividends	232,731
Interest ¹	626
Securities Lending—Net	44
Total Income	233,401
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	164
Management and Administrative— ETF Shares	4,729
Management and Administrative— Admiral Shares	1,499
Marketing and Distribution— ETF Shares	261
Marketing and Distribution— Admiral Shares	88
Custodian Fees	77
Auditing Fees	30
Shareholders' Reports—ETF Shares	222
Shareholders' Reports—Admiral Shares	20
Trustees' Fees and Expenses	4
Other Expenses	22
Total Expenses	7,116
Expenses Paid Indirectly	(3)
Net Expenses	7,113
Net Investment Income	226,288
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	108,337
Swap Contracts	1,728
Realized Net Gain (Loss)	110,065
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	(1,338,510)
Swap Contracts	379
Change in Unrealized Appreciation (Depreciation)	(1,338,131)
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,001,778)

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$626,000, \$4,000, less than \$1,000, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$164,292,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended August 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	226,288	209,358
Realized Net Gain (Loss)	110,065	374,119
Change in Unrealized Appreciation (Depreciation)	(1,338,131)	173,877
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,001,778)	757,354
Distributions		
ETF Shares	(174,158)	(157,667)
Admiral Shares	(53,913)	(47,893)
Total Distributions	(228,071)	(205,560)
Capital Share Transactions		
ETF Shares	(13,355)	486,753
Admiral Shares	(147,955)	161,161
Net Increase (Decrease) from Capital Share Transactions	(161,310)	647,914
Total Increase (Decrease)	(1,391,159)	1,199,708
Net Assets		
Beginning of Period	7,907,194	6,707,486
End of Period	6,516,035	7,907,194

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

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$161.46	\$149.52	\$129.35	\$139.09	\$119.32
Investment Operations					
Net Investment Income ¹	4.708	4.393	4.310	4.306	4.087
Net Realized and Unrealized Gain (Loss) on Investments	(25.005)	11.897	20.048	(9.802)	19.562
Total from Investment Operations	(20.297)	16.290	24.358	(5.496)	23.649
Distributions					
Dividends from Net Investment Income	(4.733)	(4.350)	(4.188)	(4.244)	(3.879)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.733)	(4.350)	(4.188)	(4.244)	(3.879)
Net Asset Value, End of Period	\$136.43	\$161.46	\$149.52	\$129.35	\$139.09
Total Return	-12.75%	11.18%	19.19%	-4.08%	20.17%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,071	\$6,030	\$5,126	\$4,014	\$4,107
Ratio of Total Expenses to Average Net Assets	0.10% ²	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.19%	2.87%	3.09%	3.18%	3.22%
Portfolio Turnover Rate ³	4%	3%	6%	5%	4%

1 Calculated based on average shares outstanding.

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

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

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$81.00	\$75.01	\$64.89	\$69.78	\$59.86
Investment Operations					
Net Investment Income ¹	2.351	2.212	2.166	2.163	2.038
Net Realized and Unrealized Gain (Loss) on Investments	(12.527)	5.961	10.055	(4.924)	9.828
Total from Investment Operations	(10.176)	8.173	12.221	(2.761)	11.866
Distributions					
Dividends from Net Investment Income	(2.374)	(2.183)	(2.101)	(2.129)	(1.946)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.374)	(2.183)	(2.101)	(2.129)	(1.946)
Net Asset Value, End of Period	\$68.45	\$81.00	\$75.01	\$64.89	\$69.78
Total Return²	-12.73%	11.22%	19.22%	-4.05%	20.19%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,445	\$1,877	\$1,582	\$1,281	\$1,266
Ratio of Total Expenses to Average Net Assets	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.17%	2.88%	3.10%	3.18%	3.22%
Portfolio Turnover Rate ⁴	4%	3%	6%	5%	4%

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

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

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

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

Notes to Financial Statements

Vanguard Utilities Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: ETF Shares and Admiral 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.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the valuation designee to represent fair value and subject to oversight by the board of trustees. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

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

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

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

4. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. 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 August 31, 2023, the fund had contributed to Vanguard capital in the amount of \$232,000, representing less than 0.01% of the fund's net assets and 0.09% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended August 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$3,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	6,489,758	—	—	6,489,758
Temporary Cash Investments	2,211	—	—	2,211
Total	6,491,969	—	—	6,491,969
Derivative Financial Instruments				
Assets				
Swap Contracts	—	32	—	32

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

	Amount (\$000)
Paid-in Capital	164,214
Total Distributable Earnings (Loss)	(164,214)

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

	Amount (\$000)
Undistributed Ordinary Income	47,859
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	(321,129)
Capital Loss Carryforwards	(238,813)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	(512,083)

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	228,071	205,560
Long-Term Capital Gains	—	—
Total	228,071	205,560

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	6,813,099
Gross Unrealized Appreciation	411,899
Gross Unrealized Depreciation	(733,028)
Net Unrealized Appreciation (Depreciation)	(321,129)

F. During the year ended August 31, 2023, the fund purchased \$1,074,266,000 of investment securities and sold \$1,236,950,000 of investment securities, other than temporary cash investments. Purchases and sales include \$788,158,000 and \$802,970,000, 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 August 31, 2023, such purchases were \$0 and sales were \$5,878,000, resulting in net realized loss of \$991,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	791,370	5,346	1,904,515	12,392
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(804,725)	(5,525)	(1,417,762)	(9,325)
Net Increase (Decrease)—ETF Shares	(13,355)	(179)	486,753	3,067
Admiral Shares				
Issued	269,479	3,578	493,216	6,363
Issued in Lieu of Cash Distributions	41,299	562	35,820	486
Redeemed	(458,733)	(6,200)	(367,875)	(4,761)
Net Increase (Decrease)—Admiral Shares	(147,955)	(2,060)	161,161	2,088

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

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

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

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

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard World Fund and Shareholders of Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund and Vanguard Utilities Index Fund

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund and Vanguard Utilities Index Fund (ten of the funds constituting Vanguard World Fund, hereafter collectively referred to as the "Funds") as of August 31, 2023, the related statements of operations for the year ended August 31, 2023, the statements of changes in net assets for each of the two years in the period ended August 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended August 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of August 31, 2023, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended August 31, 2023 and each of the financial highlights for each of the five years in the period ended August 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

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

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
October 19, 2023

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

Tax information (unaudited)

The following percentages, or if subsequently determined to be different, the maximum percentages allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction for corporate shareholders.

Fund	Percentage
Communication Services Index Fund	89.8%
Consumer Discretionary Index Fund	96.9
Consumer Staples Index Fund	100.0
Energy Index Fund	97.0
Financials Index Fund	90.1
Health Care Index Fund	100.0
Industrials Index Fund	96.9
Information Technology Index Fund	100.0
Materials Index Fund	82.0
Utilities Index Fund	100.0

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

Fund	(\$000)
Communication Services Index Fund	25,650
Consumer Discretionary Index Fund	46,179
Consumer Staples Index Fund	200,854
Energy Index Fund	379,296
Financials Index Fund	212,758
Health Care Index Fund	278,894
Industrials Index Fund	60,614
Information Technology Index Fund	432,295
Materials Index Fund	72,485
Utilities Index Fund	228,071

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

Fund	(\$000)
Communication Services Index Fund	73
Consumer Discretionary Index Fund	81
Consumer Staples Index Fund	161
Energy Index Fund	372
Financials Index Fund	415
Health Care Index Fund	122
Industrials Index Fund	47
Information Technology Index Fund	1,800
Materials Index Fund	48
Utilities Index Fund	205

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

Fund	(\$000)
Communication Services Index Fund	—
Consumer Discretionary Index Fund	—
Consumer Staples Index Fund	—
Energy Index Fund	—
Financials Index Fund	3,423
Health Care Index Fund	—
Industrials Index Fund	—
Information Technology Index Fund	—
Materials Index Fund	—
Utilities Index Fund	—

Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund, and Vanguard Utilities Index Fund has renewed each fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing each fund's internalized management structure was in the best interests of the fund and its shareholders.

The board based its decisions upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year through advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received periodic reports throughout the year, which included information about each fund's performance relative to its peers and benchmark, as applicable, and updates, as needed, on the Portfolio Review Department's ongoing assessment of the advisor.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. Rather, it was the totality of the circumstances that drove the board's decisions.

Nature, extent, and quality of services

The board reviewed the quality of each fund's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of each advisory arrangement.

Investment performance

The board considered the short- and long-term performance of each fund, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that each advisory arrangement should continue.

Cost

The board concluded that each fund's expense ratio was below the average expense ratio charged by funds in its peer group and that each fund's advisory expenses were also below the peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

The benefit of economies of scale

The board concluded that each fund's arrangement with Vanguard ensures that the funds will realize economies of scale as they grow, with the cost to shareholders declining as fund assets increase.

The board will consider whether to renew the advisory arrangements again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund’s liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors’ interests in the fund.

Assessment and management of a fund’s liquidity risk under the Program take into consideration certain factors, such as the fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard World Fund approved the appointment of liquidity risk management program administrators responsible for administering the Program for Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund, and Vanguard Utilities Index Fund, and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2022, through December 31, 2022 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the funds’ liquidity risk.

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

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

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The People Who Govern Your Fund

The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 205 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.

Independent Trustees

Tara Bunch

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

Emerson U. Fullwood

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

F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board

(2008–2009) of Cummins Inc. (industrial machinery). 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: chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Chair of the board of Catholic Investment Services, Inc. (investment advisors). Member of the board of superintendence of the Institute for the Works of Religion, the Notre Dame 403(b) Investment Committee, and the board of directors of Paxos Trust Company (finance).

Deanna Mulligan

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

André F. Perold

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

Sarah Bloom Raskin

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

Grant Reid

Born in 1959. Trustee since July 2023. Principal occupation(s) during the past five years and other experience: chief executive officer and president (2014–2022) and member of the board of directors (2015–2022) of Mars, Incorporated (multinational manufacturer). Member of the board of directors of Marriott International, Inc. Chair of Agribusiness Task Force, Sustainable Markets Initiative.

David Thomas

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

Peter F. Volanakis

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

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.

Executive Officers

Jacqueline Angell

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

Christine M. Buchanan

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

John Galloway

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

Ashley Grim

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

Jodi Miller

Born in 1980. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2022–present) of each of the investment companies served by Vanguard. Head of Enterprise Investment Services (2020–present), head of Retail Client Services and Operations (2020–2022), and head of Retail Strategic Support (2018–2020) at Vanguard.

Anne E. Robinson

Born in 1970. Principal occupation(s) during the past five years and other experience: general counsel (2016–present) of Vanguard. Secretary (2016–present) of Vanguard and of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Managing director and general counsel of Global Cards and Consumer Services (2014–2016) at Citigroup. Counsel (2003–2014) at American Express. Nonexecutive director (2022–present) of the board of National Grid (energy).

Michael Rollings

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

Vanguard Senior Management Team

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

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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 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 or www.sec.gov.

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

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