

**Semiannual Report** | February 29, 2024

# 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](http://vanguard.com), can be mailed upon request, or can be accessed on the SEC's website at [www.sec.gov](http://www.sec.gov).

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

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## 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 February 29, 2024

	Beginning Account Value 8/31/2023	Ending Account Value 2/29/2024	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
<b>Communication Services Index Fund</b>			
ETF Shares	\$1,000.00	\$ 1,177.70	\$0.54
Admiral™ Shares	1,000.00	1,177.80	0.54
<b>Consumer Discretionary Index Fund</b>			
ETF Shares	\$1,000.00	\$ 1,107.50	\$0.52
Admiral Shares	1,000.00	1,107.60	0.52
<b>Consumer Staples Index Fund</b>			
ETF Shares	\$1,000.00	\$1,046.50	\$0.51
Admiral Shares	1,000.00	1,046.60	0.51
<b>Energy Index Fund</b>			
ETF Shares	\$1,000.00	\$ 979.00	\$0.49
Admiral Shares	1,000.00	979.20	0.49
<b>Financials Index Fund</b>			
ETF Shares	\$1,000.00	\$1,188.90	\$0.54
Admiral Shares	1,000.00	1,189.10	0.54
<b>Health Care Index Fund</b>			
ETF Shares	\$1,000.00	\$1,095.00	\$0.52
Admiral Shares	1,000.00	1,095.00	0.52
<b>Industrials Index Fund</b>			
ETF Shares	\$1,000.00	\$1,134.80	\$0.53
Admiral Shares	1,000.00	1,134.90	0.53
<b>Information Technology Index Fund</b>			
ETF Shares	\$1,000.00	\$1,169.70	\$0.54
Admiral Shares	1,000.00	1,169.70	0.54
<b>Materials Index Fund</b>			
ETF Shares	\$1,000.00	\$ 1,067.70	\$0.51
Admiral Shares	1,000.00	1,067.80	0.51
<b>Utilities Index Fund</b>			
ETF Shares	\$1,000.00	\$1,004.70	\$0.50
Admiral Shares	1,000.00	1,004.60	0.50

Six Months Ended February 29, 2024

	Beginning Account Value 8/31/2023	Ending Account Value 2/29/2024	Expenses Paid During Period
<b>Based on Hypothetical 5% Yearly Return</b>			
<b>Communication Services Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Consumer Discretionary Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Consumer Staples Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Energy Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Financials Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Health Care Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Industrials Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Information Technology Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Materials Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50
<b>Utilities Index Fund</b>			
ETF Shares	\$1,000.00	\$1,024.37	\$0.50
Admiral Shares	1,000.00	1,024.37	0.50

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 (182/366).

# Communication Services Index Fund

## Fund Allocation

As of February 29, 2024

Diversified Telecommunication Services	10.4%
Entertainment	19.1
Interactive Media & Services	50.7
Media	16.6
Wireless Telecommunication Services	3.2

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)			
<b>Common Stocks (99.9%)</b>											
<b>Diversified Telecommunication Services (10.3%)</b>											
Verizon Communications Inc.	4,609,983	184,492	*	Lions Gate Entertainment Corp. Class B	446,210	4,052	*	Liberty Broadband Corp. Class C	443,954	26,717	
AT&T Inc.	8,595,484	145,522	*.1	AMC Entertainment Holdings Inc. Class A	809,430	3,497		Nexstar Media Group Inc.	138,609	23,033	
* Frontier Communications Parent Inc.	753,096	17,833	*	IMAX Corp.	189,403	3,244	*	Liberty Media Corp.-Liberty SiriusXM Class C	671,894	19,471	
Cogent Communications Holdings Inc.	178,828	14,469	*	* Liberty Media Corp.-Liberty Live Class A	83,272	3,213		Paramount Global Class B	1,606,061	17,731	
* Liberty Global Ltd. Class C	752,688	13,962	*	Lions Gate Entertainment Corp. Class A	297,763	2,891		Fox Corp. Class B	600,473	16,441	
Iridium Communications Inc.	455,558	13,188	*	* Eventbrite Inc. Class A	329,376	1,844		News Corp. Class B	487,526	13,646	
* Liberty Global Ltd. Class A	665,979	11,655	*	* Vivid Seats Inc. Class A	273,195	1,645	1	Sirius XM Holdings Inc.	3,061,523	13,532	
* Lumen Technologies Inc.	4,116,997	6,670	*	* Marcus Corp.	95,418	1,400		TEGNA Inc.	765,028	10,718	
* Globalstar Inc.	3,101,467	4,838	*	* Atlanta Braves Holdings Inc. Class A	29,537	1,239	*	Liberty Media Corp.-Liberty SiriusXM Class A	307,641	8,965	
Shenandoah Telecommunications Co.	194,858	3,636	*.1	* Playstudios Inc.	359,857	853		Cable One Inc.	18,336	8,361	
* Liberty Latin America Ltd. Class C	526,923	3,436		*.1 Skillz Inc.	58,851	403		* Liberty Broadband Corp. Class A	112,968	6,795	
* IDT Corp. Class B	67,365	2,507				794,452		* EchoStar Corp. Class A	485,816	6,369	
* Anterix Inc.	53,615	2,128	<b>Interactive Media &amp; Services (50.7%)</b>					* Magnite Inc.	506,318	6,086	
* Bandwidth Inc. Class A	96,650	1,985		Meta Platforms Inc. Class A	1,971,809	966,443		John Wiley & Sons Inc. Class A	177,726	5,927	
ATN International Inc.	44,052	1,477	*	* Alphabet Inc. Class A	3,688,926	510,769	*	Scholastic Corp.	103,640	4,088	
* Consolidated Communications Holdings Inc.	308,195	1,328	*	* Alphabet Inc. Class C	2,926,960	409,131	*	PubMatic Inc. Class A	169,763	3,555	
* Liberty Latin America Ltd. Class A	142,455	916	*	* Pinterest Inc. Class A	1,221,618	44,833	*	TechTarget Inc.	104,360	3,309	
		<b>430,042</b>	*	* Snap Inc. Class A	3,033,705	33,432	*	Integral Ad Science Holding Corp.	290,753	3,012	
<b>Entertainment (19.1%)</b>			*	* Match Group Inc.	862,173	31,073	*	Thryv Holdings Inc.	136,324	2,855	
* Netflix Inc.	319,649	192,723	*	* ZoomInfo Technologies Inc.	1,114,567	18,680	*	Altice USA Inc. Class A	827,568	2,458	
Walt Disney Co.	1,672,568	186,625	*	* IAC Inc.	310,738	17,650	*	Gray Television Inc.	338,279	1,976	
Electronic Arts Inc.	415,320	57,929	*	* Ziff Davis Inc.	187,944	12,923	*	Stagwell Inc.	369,490	1,973	
* Take-Two Interactive Software Inc.	316,930	46,566	*	* TripAdvisor Inc.	436,815	11,715	*	Sinclair Inc.	129,730	1,926	
* Warner Bros Discovery Inc.	4,601,370	40,446	*	* Yelp Inc.	265,984	10,224	*	Clear Channel Outdoor Holdings Inc.	1,084,066	1,865	
* Live Nation Entertainment Inc.	400,288	38,820	*	* Cargurus Inc.	353,581	7,828	*	* Advantage Solutions Inc.	466,273	1,776	
* Roblox Corp. Class A	952,069	37,988	*	* Shutterstock Inc.	102,010	4,974	*	* Boston Omaha Corp. Class A	98,749	1,620	
* Liberty Media Corp.-Liberty Formula One Class C	519,558	37,803	*	* Cars.com Inc.	256,745	4,709	*	* AMC Networks Inc. Class A	117,794	1,524	
* Roku Inc.	432,957	27,354	*	* Bumble Inc. Class A	390,629	4,473	*	Gannett Co. Inc.	577,135	1,229	
TKO Group Holdings Inc.	268,146	22,452	*	* ZipRecruiter Inc. Class A	264,273	3,362	*	* Cardlytics Inc.	136,177	1,129	
Warner Music Group Corp. Class A	517,546	18,078	*	* QuinStreet Inc.	211,583	3,096	*	* iHeartMedia Inc. Class A	402,572	1,115	
Endeavor Group Holdings Inc. Class A	736,625	17,716	*	* Vimeo Inc.	610,430	2,924	*	* EW Scripps Co. Class A	237,297	956	
* Madison Square Garden Sports Corp.	63,456	11,942	*	* fuboTV Inc.	1,194,854	2,473	*	* WideOpenWest Inc.	204,776	819	
* Cinemark Holdings Inc.	446,630	7,776	*	* Taboola.com Ltd.	552,817	2,410				<b>688,440</b>	
* Liberty Media Corp.-Liberty Live Class C	195,242	7,774	*	* Mediaalpha Inc. Class A	86,254	1,790		<b>Other (0.0%)<sup>2</sup></b>			
* Atlanta Braves Holdings Inc. Class C	193,112	7,555	*	* Nextdoor Holdings Inc.	631,658	1,383		*.3	GCI Liberty Inc.	188,049	—
* Madison Square Garden Entertainment Corp.	159,338	6,133		* Angi Inc.	330,059	947		<b>Wireless Telecommunication Services (3.2%)</b>			
* Sphere Entertainment Co.	103,728	4,491		* Outbrain Inc.	153,543	565		T-Mobile US Inc.	749,088	122,326	
				* System1 Inc.	53,535	89		Telephone and Data Systems Inc.	410,924	6,287	
						<b>2,107,896</b>					
				<b>Media (16.6%)</b>							
				Comcast Corp. Class A	4,526,069	193,942					
				* Trade Desk Inc. Class A	702,819	60,042					
				* Charter Communications Inc. Class A	173,176	50,902					
				Omnicom Group Inc.	453,184	40,057					
				Interpublic Group of Cos. Inc.	1,068,300	33,545					
				News Corp. Class A	1,207,640	32,461					
				Fox Corp. Class A	953,284	28,398					
				New York Times Co. Class A	634,949	28,116					

Communication Services Index Fund

	Shares	Market Value* (\$000)
* United States Cellular Corp.	63,656	2,221
* Gogo Inc.	262,885	2,145
		<b>132,979</b>
<b>Total Common Stocks (Cost \$4,152,558)</b>		<b>4,153,809</b>
<b>Temporary Cash Investments (0.2%)</b>		
<b>Money Market Fund (0.2%)</b>		
<sup>4,5</sup> Vanguard Market Liquidity Fund, 5.400% (Cost \$9,117)	91,209	9,120
<b>Total Investments (100.1%) (Cost \$4,161,675)</b>		<b>4,162,929</b>
<b>Other Assets and Liabilities— Net (-0.1%)</b>		<b>(5,634)</b>
<b>Net Assets (100.0%)</b>		<b>4,157,295</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$5,840,000.

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 \$6,790,000 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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Paramount Global Class B	8/30/24	BANA	2,484	(5.326)	—	(14)
Paramount Global Class B	8/30/24	BANA	1,822	(5.326)	—	(10)
					—	(24)

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 February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$4,152,558)	4,153,809
Affiliated Issuers (Cost \$9,117)	9,120
Total Investments in Securities	4,162,929
Investment in Vanguard	126
Cash Collateral Pledged—Over-the-Counter Swap Contracts	1,340
Receivables for Investment Securities Sold	128,203
Receivables for Accrued Income	2,302
Receivables for Capital Shares Issued	446
<b>Total Assets</b>	<b>4,295,346</b>
<b>Liabilities</b>	
Due to Custodian	1,387
Payables for Investment Securities Purchased	129,180
Collateral for Securities on Loan	6,790
Payables for Capital Shares Redeemed	511
Payables to Vanguard	159
Unrealized Depreciation—Over-the-Counter Swap Contracts	24
<b>Total Liabilities</b>	<b>138,051</b>
<b>Net Assets</b>	<b>4,157,295</b>

<sup>1</sup> Includes \$5,840,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	4,573,729
Total Distributable Earnings (Loss)	(416,434)
<b>Net Assets</b>	<b>4,157,295</b>
<b>ETF Shares—Net Assets</b>	
Applicable to 30,953,605 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,965,418
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$128.11</b>
<b>Admiral Shares—Net Assets</b>	
Applicable to 2,939,161 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	191,877
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$65.28</b>

## Statement of Operations

	Six Months Ended February 29, 2024 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	19,059
Interest <sup>1</sup>	201
Securities Lending—Net	4,326
Total Income	23,586
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	41
Management and Administrative— ETF Shares	1,490
Management and Administrative— Admiral Shares	63
Marketing and Distribution— ETF Shares	93
Marketing and Distribution— Admiral Shares	4
Custodian Fees	6
Shareholders' Reports—ETF Shares	106
Shareholders' Reports—Admiral Shares	—
Trustees' Fees and Expenses	1
Other Expenses	9
Total Expenses	1,813
<b>Net Investment Income</b>	<b>21,773</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	161,949
Swap Contracts	(800)
<b>Realized Net Gain (Loss)</b>	<b>161,149</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	410,982
Swap Contracts	169
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>411,151</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>594,073</b>

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 \$201,000, \$1,000, less than \$1,000, and (\$2,000), respectively. Purchases and sales are for temporary cash investment purposes.

2 Includes \$223,121,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024 (\$000)	Year Ended August 31, 2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	21,773	33,642
Realized Net Gain (Loss)	161,149	(32,353)
Change in Unrealized Appreciation (Depreciation)	411,151	458,579
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>594,073</b>	<b>459,868</b>
<b>Distributions</b>		
ETF Shares	(19,631)	(27,514)
Admiral Shares	(731)	(839)
<b>Total Distributions</b>	<b>(20,362)</b>	<b>(28,353)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(8,176)	290,125
Admiral Shares	52,805	29,898
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>44,629</b>	<b>320,023</b>
<b>Total Increase (Decrease)</b>	<b>618,340</b>	<b>751,538</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>3,538,955</b>	<b>2,787,417</b>
<b>End of Period</b>	<b>4,157,295</b>	<b>3,538,955</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$109.41</b>	<b>\$94.12</b>	<b>\$149.87</b>	<b>\$108.04</b>	<b>\$87.24</b>	<b>\$86.83</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.683	1.128	1.110	1.018	1.005	.917
Net Realized and Unrealized Gain (Loss) on Investments	18.654	15.127	(55.695)	41.708	20.743	.316
Total from Investment Operations	19.337	16.255	(54.585)	42.726	21.748	1.233
<b>Distributions</b>						
Dividends from Net Investment Income	(.637)	(.965)	(1.165)	(.896)	(.948)	(.823)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.637)	(.965)	(1.165)	(.896)	(.948)	(.823)
<b>Net Asset Value, End of Period</b>	<b>\$128.11</b>	<b>\$109.41</b>	<b>\$94.12</b>	<b>\$149.87</b>	<b>\$108.04</b>	<b>\$87.24</b>
<b>Total Return</b>	<b>17.77%</b>	<b>17.46%</b>	<b>-36.61%</b>	<b>39.75%</b>	<b>25.15%</b>	<b>1.47%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,965	\$3,424	\$2,717	\$4,787	\$2,914	\$2,016
Ratio of Total Expenses to Average Net Assets	0.10%	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.18%	1.19%	0.92%	0.80%	1.09%	1.09%
Portfolio Turnover Rate <sup>3</sup>	8%	15%	16%	15%	15%	33%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,	Year Ended August 31,				
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$55.75</b>	<b>\$47.97</b>	<b>\$76.38</b>	<b>\$55.06</b>	<b>\$44.46</b>	<b>\$44.25</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.340	.591	.572	.519	.512	.470
Net Realized and Unrealized Gain (Loss) on Investments	9.515	7.682	(28.388)	21.259	10.571	.157
Total from Investment Operations	9.855	8.273	(27.816)	21.778	11.083	.627
<b>Distributions</b>						
Dividends from Net Investment Income	(.325)	(.493)	(.594)	(.458)	(.483)	(.417)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.325)	(.493)	(.594)	(.458)	(.483)	(.417)
<b>Net Asset Value, End of Period</b>	<b>\$65.28</b>	<b>\$55.75</b>	<b>\$47.97</b>	<b>\$76.38</b>	<b>\$55.06</b>	<b>\$44.46</b>
<b>Total Return<sup>2</sup></b>	<b>17.78%</b>	<b>17.44%</b>	<b>-36.61%</b>	<b>39.76%</b>	<b>25.16%</b>	<b>1.46%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$192	\$115	\$70	\$124	\$67	\$50
Ratio of Total Expenses to Average Net Assets	0.10%	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.14%	1.21%	0.93%	0.79%	1.10%	1.09%
Portfolio Turnover Rate <sup>4</sup>	8%	15%	16%	15%	15%	33%

The expense ratio and net investment income ratio for the current period have been annualized.

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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$126,000, 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.** 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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	4,153,809	—	—	4,153,809
Temporary Cash Investments	9,120	—	—	9,120
<b>Total</b>	<b>4,162,929</b>	<b>—</b>	<b>—</b>	<b>4,162,929</b>
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	24	—	24

**D.** As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	4,193,240
Gross Unrealized Appreciation	636,530
Gross Unrealized Depreciation	(666,841)
<b>Net Unrealized Appreciation (Depreciation)</b>	<b>(30,311)</b>

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$556,630,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

**E.** During the six months ended February 29, 2024, the fund purchased \$370,039,000 of investment securities and sold \$299,574,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$716,737,000 and \$738,629,000, 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 six months ended February 29, 2024, such purchases were \$1,130,000 and sales were \$14,096,000, resulting in net realized loss of \$657,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	728,193 <sup>1</sup>	6,133 <sup>1</sup>	1,133,331	11,775
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(736,369) <sup>1</sup>	(6,475) <sup>1</sup>	(843,206)	(9,350)
Net Increase (Decrease)—ETF Shares	(8,176)	(342)	290,125	2,425
<b>Admiral Shares</b>				
Issued	88,181	1,480	74,117	1,497
Issued in Lieu of Cash Distributions	598	11	687	14
Redeemed	(35,974)	(613)	(44,906)	(909)
Net Increase (Decrease)—Admiral Shares	52,805	878	29,898	602

<sup>1</sup> Includes unsettled in-kind transactions as of February 29, 2024 for 1,650,000 issued shares and 1,700,000 redeemed shares valued at \$210,822,000 and \$220,041,000, respectively, which settled shortly afterwards.

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

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

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

H. Management has determined that no events or transactions occurred subsequent to February 29, 2024, that would require recognition or disclosure in these financial statements.



# Consumer Discretionary Index Fund

## Fund Allocation

As of February 29, 2024

Automobile Components	2.3%
Automobiles	13.3
Broadline Retail	25.2
Distributors	1.0
Diversified Consumer Services	1.6
Hotels, Restaurants & Leisure	22.0
Household Durables	5.8
Leisure Products	1.1
Specialty Retail	21.9
Textiles, Apparel & Luxury Goods	5.8

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.8%)</b>								
<b>Automobile Components (2.3%)</b>								
* Aptiv plc	346,762	27,564						
Autoliv Inc.	104,180	12,088						
Gentex Corp.	312,116	11,402						
Lear Corp.	78,313	10,756						
BorgWarner Inc. (XNYS)	320,814	9,987						
* Modine Manufacturing Co.	78,386	7,032						
* Goodyear Tire & Rubber Co.	448,344	5,326						
LCI Industries	41,411	5,217						
* Adient plc	151,287	5,135						
* Visteon Corp.	44,616	5,047						
* Dorman Products Inc.	48,928	4,610						
Patrick Industries Inc.	37,624	4,513						
* Gentherm Inc.	67,457	3,836						
*.1 QuantumScape Corp.	608,626	3,816						
* Fox Factory Holding Corp.	71,021	3,593						
Phinia Inc.	100,532	3,440						
Dana Inc.	259,294	3,241						
* XPEL Inc.	51,767	2,722						
* Garrett Motion Inc.	253,432	2,438						
* American Axle & Manufacturing Holdings Inc.	313,169	2,167						
*.1 Luminar Technologies Inc.	880,906	2,105						
* Stoneridge Inc.	111,898	1,966						
Standard Motor Products Inc.	58,981	1,873						
*.1 Atmus Filtration Technologies Inc.	77,309	1,845						
* Holley Inc.	247,416	1,062						
*.1 Solid Power Inc.	625,001	1,025						
		<b>143,806</b>						
<b>Automobiles (13.3%)</b>								
* Tesla Inc.	3,324,387	671,127						
General Motors Co.	1,636,675	67,071						
Ford Motor Co.	4,678,756	58,204						
* Rivian Automotive Inc. Class A	861,291	9,750						
Thor Industries Inc.	71,053	9,108						
Harley-Davidson Inc.	192,300	6,975						
*.1 Lucid Group Inc.	1,457,869	4,811						
Winnebago Industries Inc.	55,055	3,949						
*.1 Fisker Inc.	958,748	698						
*.1 Workhorse Group Inc.	1,202,550	402						
*.1 Canoo Inc.	3,666,795	386						
*.1 Faraday Future Intelligent Electric Inc.	818,307	57						
		<b>832,538</b>						
<b>Broadline Retail (25.2%)</b>								
* Amazon.com Inc.	8,106,868	1,432,970						
* MercadoLibre Inc.	46,790	74,644						
* eBay Inc.	641,161	30,314						
* Etsy Inc.	158,133	11,337						
* Ollie's Bargain Outlet Holdings Inc.	90,365	7,245						
Macy's Inc.	393,544	6,863						
Kohl's Corp.	181,708	5,064						
Nordstrom Inc.	195,495	4,100						
Dillard's Inc. Class A	7,736	3,208						
* Qurate Retail Inc. Series A	1,657,816	2,337						
*.1 Groupon Inc.	88,356	1,635						
Big Lots Inc.	134,692	730						
* ContextLogic Inc. Class A	94,854	617						
		<b>1,581,064</b>						
<b>Distributors (1.0%)</b>								
Genuine Parts Co.	172,954	25,815						
Pool Corp.	48,590	19,345						
LKQ Corp.	339,672	17,761						
		<b>62,921</b>						
<b>Diversified Consumer Services (1.6%)</b>								
Service Corp. International	193,919	14,193						
* Duolingo Inc.	43,250	10,337						
* H&R Block Inc.	198,176	9,701						
* Bright Horizons Family Solutions Inc.	80,446	9,240						
* Grand Canyon Education Inc.	46,143	6,220						
Strategic Education Inc.	40,943	4,536						
* Stride Inc.	73,599	4,397						
Graham Holdings Co. Class B	6,178	4,339						
* frontdoor Inc.	136,809	4,290						
* Adtalem Global Education Inc.	77,433	3,833						
Laureate Education Inc.	268,822	3,605						
ADT Inc.	466,769	3,389						
* Coursera Inc.	202,253	3,250						
Perdoceo Education Corp.	160,343	2,856						
* OneSpaWorld Holdings Ltd.	204,802	2,670						
* Chegg Inc.	289,385	2,587						
* Udemy Inc.	212,957	2,406						
*.1 Mister Car Wash Inc.	270,681	2,244						
* European Wax Center Inc. Class A	133,689	1,896						
Carriage Services Inc.	62,467	1,550						
* WW International Inc.	366,568	1,144						
* 2U Inc.	368,124	166						
* Beachbody Co. Inc.	10,550	88						
		<b>98,937</b>						
<b>Hotels, Restaurants &amp; Leisure (22.0%)</b>								
McDonald's Corp.	851,612	248,909						
* Booking Holdings Inc.	42,831	148,573						
Starbucks Corp.	1,340,926	127,254						
* Chipotle Mexican Grill Inc.	32,440	87,224						
* Airbnb Inc. Class A	515,662	81,201						
Marriott International Inc. Class A	307,829	76,917						
Hilton Worldwide Holdings Inc.	312,216	63,792						
Yum! Brands Inc.	335,920	46,498						
* DoorDash Inc. Class A	313,583	39,063						
* Royal Caribbean Cruises Ltd.	294,901	36,376						
Las Vegas Sands Corp.	463,308	25,260						
Darden Restaurants Inc.	147,497	25,179						
* Expedia Group Inc.	176,472	24,145						
* DraftKings Inc. Class A	519,758	22,516						
* Carnival Corp.	1,268,087	20,112						
Domino's Pizza Inc.	43,923	19,693						
* MGM Resorts International	357,508	15,473						
Wynn Resorts Ltd.	131,831	13,869						
Wingstop Inc.	38,864	13,643						
Texas Roadhouse Inc.	87,367	13,050						
* Caesars Entertainment Inc.	284,760	12,379						
* Light & Wonder Inc.	120,864	12,148						
Vail Resorts Inc.	50,563	11,645						
* Norwegian Cruise Line Holdings Ltd.	583,955	11,323						
Churchill Downs Inc.	90,256	11,000						
Aramark	336,785	10,215						
Hyatt Hotels Corp. Class A	62,347	9,576						
Wyndham Hotels & Resorts Inc.	114,963	8,800						
* Planet Fitness Inc. Class A	121,232	7,522						
Boyd Gaming Corp.	108,403	7,169						
* Shake Shack Inc. Class A	58,811	6,253						
Choice Hotels International Inc.	50,106	5,609						
* Hilton Grand Vacations Inc.	120,966	5,429						
Travel & Leisure Co.	119,611	5,345						
Marriott Vacations Worldwide Corp.	56,380	5,254						
Wendy's Co.	283,312	5,131						
Red Rock Resorts Inc. Class A	82,731	4,798						
* Penn Entertainment Inc.	237,050	4,338						
Papa John's International Inc.	58,120	4,178						
* Dave & Buster's Entertainment Inc.	66,700	4,118						
* Dutch Bros Inc. Class A	137,656	4,010						
Bloomin' Brands Inc.	146,516	3,982						
* Brinker International Inc.	84,030	3,894						
* SeaWorld Entertainment Inc.	75,681	3,886						
*.1 Cava Group Inc.	66,462	3,882						
* Six Flags Entertainment Corp.	139,960	3,547						
Cheesecake Factory Inc.	98,027	3,468						
Jack in the Box Inc.	42,239	3,083						
Cracker Barrel Old Country Store Inc.	43,709	2,890						
* Sweetgreen Inc. Class A	223,002	2,841						
* Everi Holdings Inc.	231,909	2,750						
Krispy Kreme Inc.	211,103	2,732						
Monarch Casino & Resort Inc.	38,195	2,687						
* Playa Hotels & Resorts NV	278,763	2,562						
* Portillo's Inc. Class A	171,857	2,497						
* Life Time Group Holdings Inc.	181,683	2,496						
* Sabre Corp.	914,556	2,424						

Consumer Discretionary Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Dine Brands Global Inc.	49,816	2,417	<b>Leisure Products (1.1%)</b>			* National Vision Holdings Inc.	161,176	3,772
* Accel Entertainment Inc.	210,039	2,380	* Mattel Inc.	486,247	9,579	* ODP Corp.	66,262	3,742
Golden Entertainment Inc.	64,163	2,378	Hasbro Inc.	181,822	9,144	* Victoria's Secret & Co.	130,688	3,732
* First Watch Restaurant Group Inc.	91,420	2,290	Brunswick Corp.	96,853	8,465	* Beyond Inc.	107,616	3,608
* BJ's Restaurants Inc.	64,543	2,260	Polaris Inc.	78,218	7,252	* Upbound Group Inc.	99,042	3,344
* Kura Sushi USA Inc. Class A	22,349	2,124	* YETI Holdings Inc.	138,346	5,678	* Leslie's Inc.	389,878	3,080
* Chuy's Holdings Inc.	61,491	2,080	Acushnet Holdings Corp.	59,881	3,858	Buckle Inc.	75,197	3,079
* Denny's Corp. RCI Hospitality Holdings Inc.	216,014	1,994	* Topgolf Callaway Brands Corp.	270,298	3,849	* Caleres Inc.	79,715	3,078
* Target Hospitality Corp.	165,019	1,597	* Vista Outdoor Inc.	112,961	3,524	* Sally Beauty Holdings Inc.	232,256	2,933
<sup>1</sup> Bowlero Corp. Class A	127,544	1,588	* Peloton Interactive Inc. Class A	700,811	3,168	* <sup>1</sup> Revolve Group Inc.	132,211	2,899
* Bally's Corp.	137,075	1,541	* Malibu Boats Inc. Class A	54,588	2,382	Camping World Holdings Inc. Class A	105,901	2,826
* Lindblad Expeditions Holdings Inc.	161,408	1,496	* Sturm Ruger & Co. Inc.	54,616	2,366	Hibbett Inc.	33,590	2,753
* Soho House & Co. Inc.	156,956	913	Smith & Wesson Brands Inc.	161,801	2,221	Monro Inc.	81,465	2,735
* Vacasa Inc. Class A	29,190	276	Johnson Outdoors Inc. Class A	27,307	1,255	Winmark Corp.	7,133	2,707
* <sup>1</sup> Sonder Holdings Inc.	43,788	235	* Funko Inc. Class A	151,445	1,066	* Warby Parker Inc. Class A	186,499	2,370
			* AMMO Inc.	439,509	1,046	Sonic Automotive Inc. Class A	44,398	2,331
			* Clarus Corp.	141,387	814	* MarineMax Inc.	69,924	2,321
			* Latham Group Inc.	189,934	644	Guess? Inc.	89,957	2,283
			* Solo Brands Inc. Class A	136,169	368	Shoe Carnival Inc.	68,481	2,244
						* Arhaus Inc.	158,806	2,099
<b>Household Durables (5.8%)</b>		<b>1,382,171</b>			<b>66,679</b>	Designer Brands Inc. Class A	193,581	2,044
DR Horton Inc.	369,733	55,253	<b>Specialty Retail (21.8%)</b>			Haverty Furniture Cos. Inc.	56,298	1,931
Lennar Corp. Class A	299,797	47,521	Home Depot Inc.	1,171,536	445,898	* America's Car-Mart Inc.	28,129	1,894
* NVR Inc.	3,935	30,007	Lowe's Cos. Inc.	691,879	166,515	Arko Corp.	243,238	1,588
PulteGroup Inc.	267,929	29,038	* TJX Cos. Inc.	1,345,965	133,439	* Sleep Number Corp.	92,896	1,535
Garmin Ltd.	189,487	26,026	* O'Reilly Automotive Inc.	72,065	78,365	* Genesco Inc.	47,886	1,529
* TopBuild Corp.	40,638	16,352	* AutoZone Inc.	21,564	64,822	* 1-800-Flowers.com Inc. Class A	140,842	1,468
Toll Brothers Inc.	135,803	15,568	Ross Stores Inc.	402,012	59,884	* <sup>1</sup> EVgo Inc.	479,409	1,419
Tempur Sealy International Inc.	228,863	12,466	Tractor Supply Co.	131,575	33,462	* Zumiez Inc.	77,964	1,374
* Mohawk Industries Inc.	75,531	8,959	* Ultra Beauty Inc.	59,418	32,594	* OneWater Marine Inc. Class A	50,026	1,301
* Taylor Morrison Home Corp.	151,510	8,577	Best Buy Co. Inc.	244,859	19,804	* Stitch Fix Inc. Class A	346,618	1,120
Installed Building Products Inc.	35,126	8,393	Williams-Sonoma Inc.	80,197	18,889	* Petco Health & Wellness Co. Inc.	426,366	1,109
Whirlpool Corp.	77,218	8,292	* Burlington Stores Inc.	82,383	16,897	Aaron's Co. Inc.	141,163	1,094
Meritage Homes Corp.	52,057	8,207	* CarMax Inc.	203,643	16,088	* <sup>1</sup> Children's Place Inc.	55,047	1,059
KB Home	116,049	7,709	* Floor & Decor Holdings Inc. Class A	130,689	15,829	* ThredUP Inc. Class A	336,857	674
* Skyline Champion Corp.	81,701	6,846	* Five Below Inc.	71,764	14,402	* BARK Inc.	506,193	607
MDC Holdings Inc.	97,264	6,098	Dick's Sporting Goods Inc.	79,270	14,101	* Lands' End Inc.	57,976	564
* M/I Homes Inc.	44,633	5,668	Bath & Body Works Inc.	283,255	12,945	PetMed Express Inc.	100,140	507
* Tri Pointe Homes Inc.	154,770	5,476	Murphy USA Inc.	27,120	11,309			
Newell Brands Inc.	671,744	5,038	* Carvana Co.	145,969	11,083			
Helen of Troy Ltd.	39,582	4,948	Lithia Motors Inc.	36,966	11,055			
* Cavco Industries Inc.	12,692	4,729	* Abercrombie & Fitch Co. Class A	76,574	9,783	<b>Textiles, Apparel &amp; Luxury Goods (5.7%)</b>		
Leggett & Platt Inc.	228,805	4,672	Academy Sports & Outdoors Inc.	106,941	7,991	* NIKE Inc. Class B	1,439,610	149,619
Century Communities Inc.	50,255	4,337	* Valvoline Inc.	180,322	7,689	* Lululemon Athletica Inc.	136,617	63,812
LGI Homes Inc.	36,151	4,124	* Wayfair Inc. Class A	124,581	7,425	* Deckers Outdoor Corp.	31,805	28,484
* Sonos Inc.	217,456	4,123	American Eagle Outfitters Inc.	283,866	6,742	Tapestry Inc.	297,950	14,162
Worthington Enterprises Inc.	61,433	3,816	Signet Jewelers Ltd.	65,366	6,652	* Skechers USA Inc. Class A	179,681	11,106
* Green Brick Partners Inc.	63,831	3,734	* RH	23,692	6,501	PVH Corp.	81,121	11,087
La-Z-Boy Inc.	88,281	3,354	* AutoNation Inc.	42,163	6,316	Ralph Lauren Corp.	54,534	10,139
* Dream Finders Homes Inc. Class A	73,730	2,885	Gap Inc.	332,569	6,299	* Crocs Inc.	82,602	10,098
* Beazer Homes USA Inc.	84,833	2,658	Advance Auto Parts Inc.	91,793	6,200	VF Corp.	471,689	7,707
* Vizio Holding Corp. Class A	238,407	2,625	* <sup>1</sup> GameStop Corp. Class A	423,048	6,037	* Capri Holdings Ltd.	165,705	7,644
Ethan Allen Interiors Inc.	73,233	2,448	* Asbury Automotive Group Inc.	28,263	5,902	Columbia Sportswear Co.	60,274	4,984
* Lovesac Co.	68,357	1,575	Group 1 Automotive Inc.	21,508	5,821	Steven Madden Ltd.	115,764	4,957
* <sup>1</sup> iRobot Corp.	129,084	1,473	Penske Automotive Group Inc.	33,264	5,106	Carter's Inc.	60,803	4,922
* GoPro Inc. Class A	581,536	1,361	Foot Locker Inc.	145,918	5,024	Kontor Brands Inc.	82,010	4,848
* Cricut Inc. Class A	170,841	825	* Boot Barn Holdings Inc.	51,337	4,749	* Hanesbrands Inc.	749,366	4,047
* Traeger Inc.	292,207	649	* Urban Outfitters Inc.	104,526	4,343	* Under Armour Inc. Class A	437,803	3,923
* Tupperware Brands Corp.	196,070	259	* Chewy Inc. Class A	226,899	4,002	Levi Strauss & Co. Class A	192,155	3,491
		<b>366,089</b>				Oxford Industries Inc.	32,882	3,334
						* G-III Apparel Group Ltd.	94,121	3,131
						* Under Armour Inc. Class C	347,462	2,967

Consumer Discretionary Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Wolverine World Wide Inc.	251,127	2,554	<b>Temporary Cash Investments (0.5%)</b>		
* Figs Inc. Class A	384,122	2,009	<b>Money Market Fund (0.5%)</b>		
Movado Group Inc.	68,670	1,972	<sup>2,3</sup> Vanguard Market Liquidity Fund, 5.400%		
* Allbirds Inc. Class A	458,581	417	(Cost \$31,866)	318,753	31,872
* Fossil Group Inc.	227,293	241	<b>Total Investments (100.3%)</b>		
		361,655	<b>(Cost \$5,489,206)</b>		
<b>Total Common Stocks (Cost \$5,457,340)</b>		<b>6,266,576</b>	<b>6,298,448</b>		
			<b>Other Assets and Liabilities—</b>		
			<b>Net (-0.3%)</b>		
			<b>(21,656)</b>		
			<b>Net Assets (100.0%)</b>		
			<b>6,276,792</b>		

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$19,314,000.

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 \$23,752,000 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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
MercadoLibre Inc.	8/30/24	BANA	10,848	(5.326)	—	(50)

<sup>1</sup> 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 February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$5,457,340)	6,266,576
Affiliated Issuers (Cost \$31,866)	31,872
Total Investments in Securities	6,298,448
Investment in Vanguard	184
Cash	119
Cash Collateral Pledged—Over-the-Counter Swap Contracts	600
Receivables for Investment Securities Sold	78,045
Receivables for Accrued Income	5,172
Receivables for Capital Shares Issued	389
<b>Total Assets</b>	<b>6,382,957</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	76,125
Collateral for Securities on Loan	23,752
Payables for Capital Shares Redeemed	6,002
Payables to Vanguard	236
Unrealized Depreciation—Over-the-Counter Swap Contracts	50
<b>Total Liabilities</b>	<b>106,165</b>
<b>Net Assets</b>	<b>6,276,792</b>

<sup>1</sup> Includes \$19,314,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	5,772,837
Total Distributable Earnings (Loss)	503,955
<b>Net Assets</b>	<b>6,276,792</b>
<b>ETF Shares—Net Assets</b>	
Applicable to 17,804,839 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,630,320
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$316.22</b>
<b>Admiral Shares—Net Assets</b>	
Applicable to 3,949,594 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	646,472
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$163.68</b>

## Statement of Operations

	Six Months Ended February 29, 2024
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	22,964
Interest <sup>1</sup>	203
Securities Lending—Net	845
Total Income	24,012
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	62
Management and Administrative— ETF Shares	2,206
Management and Administrative— Admiral Shares	272
Marketing and Distribution— ETF Shares	115
Marketing and Distribution— Admiral Shares	15
Custodian Fees	9
Shareholders' Reports—ETF Shares	89
Shareholders' Reports—Admiral Shares	5
Trustees' Fees and Expenses	2
Other Expenses	8
Total Expenses	2,783
Expenses Paid Indirectly	(1)
Net Expenses	2,782
<b>Net Investment Income</b>	<b>21,230</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	189,083
Swap Contracts	1,300
<b>Realized Net Gain (Loss)</b>	<b>190,383</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	351,854
Swap Contracts	(50)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>351,804</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>563,417</b>

<sup>1</sup> Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$203,000, less than \$1,000, less than \$1,000, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$210,835,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024	Year Ended August 31, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	21,230	47,772
Realized Net Gain (Loss)	190,383	65,855
Change in Unrealized Appreciation (Depreciation)	351,804	437,352
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>563,417</b>	<b>550,979</b>
<b>Distributions</b>		
ETF Shares	(22,958)	(42,420)
Admiral Shares	(2,744)	(4,965)
<b>Total Distributions</b>	<b>(25,702)</b>	<b>(47,385)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(34,306)	104,338
Admiral Shares	(21,650)	25,960
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(55,956)</b>	<b>130,298</b>
<b>Total Increase (Decrease)</b>	<b>481,759</b>	<b>633,892</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>5,795,033</b>	<b>5,161,141</b>
<b>End of Period</b>	<b>6,276,792</b>	<b>5,795,033</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$286.85</b>	<b>\$256.97</b>	<b>\$320.99</b>	<b>\$246.86</b>	<b>\$178.51</b>	<b>\$180.85</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.087	2.493	2.329	1.724	1.998	2.052
Net Realized and Unrealized Gain (Loss) on Investments	29.589	29.853	(63.227)	76.697	68.603	(2.391)
Total from Investment Operations	30.676	32.346	(60.898)	78.421	70.601	(.339)
<b>Distributions</b>						
Dividends from Net Investment Income	(1.306)	(2.466)	(3.122)	(4.291)	(2.251)	(2.001)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.306)	(2.466)	(3.122)	(4.291)	(2.251)	(2.001)
<b>Net Asset Value, End of Period</b>	<b>\$316.22</b>	<b>\$286.85</b>	<b>\$256.97</b>	<b>\$320.99</b>	<b>\$246.86</b>	<b>\$178.51</b>
<b>Total Return</b>	<b>10.75%</b>	<b>12.75%</b>	<b>-19.11%</b>	<b>32.39%</b>	<b>39.98%</b>	<b>-0.14%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,630	\$5,187	\$4,638	\$6,658	\$4,026	\$3,049
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.74%	0.99%	0.78%	0.60%	1.06%	1.20%
Portfolio Turnover Rate <sup>3</sup>	3%	11%	9%	8%	10%	9%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$148.47</b>	<b>\$133.01</b>	<b>\$166.15</b>	<b>\$127.78</b>	<b>\$92.40</b>	<b>\$93.61</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.562	1.287	1.211	.889	1.033	1.058
Net Realized and Unrealized Gain (Loss) on Investments	15.324	15.450	(32.737)	39.704	35.512	(1.232)
Total from Investment Operations	15.886	16.737	(31.526)	40.593	36.545	(.174)
<b>Distributions</b>						
Dividends from Net Investment Income	(.676)	(1.277)	(1.614)	(2.223)	(1.165)	(1.036)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.676)	(1.277)	(1.614)	(2.223)	(1.165)	(1.036)
<b>Net Asset Value, End of Period</b>	<b>\$163.68</b>	<b>\$148.47</b>	<b>\$133.01</b>	<b>\$166.15</b>	<b>\$127.78</b>	<b>\$92.40</b>
<b>Total Return<sup>2</sup></b>	<b>10.76%</b>	<b>12.75%</b>	<b>-19.11%</b>	<b>32.39%</b>	<b>40.01%</b>	<b>-0.14%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$647	\$608	\$523	\$753	\$437	\$321
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.74%	0.98%	0.79%	0.60%	1.06%	1.20%
Portfolio Turnover Rate <sup>4</sup>	3%	11%	9%	8%	10%	9%

The expense ratio and net investment income ratio for the current period have been annualized.

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 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$184,000, representing less than 0.01% of the fund's net assets and 0.07% 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 six months ended February 29, 2024, custodian fee offset arrangements reduced the fund's expenses by \$1,000 (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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	6,266,576	—	—	6,266,576
Temporary Cash Investments	31,872	—	—	31,872
Total	6,298,448	—	—	6,298,448
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	50	—	50

**E.** As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	5,504,554
Gross Unrealized Appreciation	1,259,069
Gross Unrealized Depreciation	(465,175)
Net Unrealized Appreciation (Depreciation)	793,894

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$486,627,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$171,508,000 of investment securities and sold \$183,525,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$558,584,000 and \$602,828,000, 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 six months ended February 29, 2024, such purchases were \$6,848,000 and sales were \$34,455,000, resulting in net realized loss of \$5,573,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	574,184 <sup>1</sup>	1,942 <sup>1</sup>	947,780	3,535
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(608,490) <sup>1</sup>	(2,220) <sup>1</sup>	(843,442)	(3,500)
Net Increase (Decrease)—ETF Shares	(34,306)	(278)	104,338	35
<b>Admiral Shares</b>				
Issued	71,267	475	154,826	1,153
Issued in Lieu of Cash Distributions	2,331	16	4,229	33
Redeemed	(95,248)	(637)	(133,095)	(1,026)
Net Increase (Decrease)—Admiral Shares	(21,650)	(146)	25,960	160

<sup>1</sup> Includes unsettled in-kind transactions as of February 29, 2024 for 340,000 issued shares and 340,000 redeemed shares valued at \$106,291,000 and \$101,912,000, respectively, which settled shortly afterwards.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

# Consumer Staples Index Fund

## Fund Allocation

As of February 29, 2024

Beverages	21.5%
Consumer Staples Distribution & Retail	30.6
Food Products	17.1
Household Products	18.8
Personal Care Products	4.5
Tobacco	7.5

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.



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**Derivative Financial Instruments Outstanding as of Period End**


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## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Clorox Co.	8/30/24	BANA	9,199	(5.326)	35	—
Kraft Heinz Co.	8/30/24	BANA	13,054	(5.326)	—	(59)
					35	(59)

<sup>1</sup> 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 February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$7,040,425)	7,677,048
Affiliated Issuers (Cost \$23,270)	23,273
Total Investments in Securities	7,700,321
Investment in Vanguard	245
Cash	1,880
Cash Collateral Pledged—Over-the-Counter Swap Contracts	140
Receivables for Investment Securities Sold	72,878
Receivables for Accrued Income	10,572
Receivables for Capital Shares Issued	1,322
Unrealized Appreciation—Over-the-Counter Swap Contracts	35
<b>Total Assets</b>	<b>7,787,393</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	76,572
Collateral for Securities on Loan	7,800
Payables for Capital Shares Redeemed	3,757
Payables to Vanguard	291
Unrealized Depreciation—Over-the-Counter Swap Contracts	59
<b>Total Liabilities</b>	<b>88,479</b>
<b>Net Assets</b>	<b>7,698,914</b>

<sup>1</sup> Includes \$7,498,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	7,126,137
Total Distributable Earnings (Loss)	572,777
<b>Net Assets</b>	<b>7,698,914</b>

## ETF Shares—Net Assets

Applicable to 32,358,852 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	6,419,496
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$198.38</b>

## Admiral Shares—Net Assets

Applicable to 13,079,625 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,279,418
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$97.82</b>



## Statement of Operations

	Six Months Ended February 29, 2024
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	111,683
Interest <sup>2</sup>	289
Securities Lending—Net	1,369
Total Income	113,341
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	85
Management and Administrative— ETF Shares	2,788
Management and Administrative— Admiral Shares	532
Marketing and Distribution— ETF Shares	154
Marketing and Distribution— Admiral Shares	32
Custodian Fees	28
Shareholders' Reports—ETF Shares	149
Shareholders' Reports—Admiral Shares	11
Trustees' Fees and Expenses	3
Other Expenses	8
Total Expenses	3,790
Expenses Paid Indirectly	(1)
Net Expenses	3,789
<b>Net Investment Income</b>	<b>109,552</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2,3</sup>	240,954
Swap Contracts	370
<b>Realized Net Gain (Loss)</b>	<b>241,324</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	(36,404)
Swap Contracts	(24)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(36,428)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>314,448</b>

1 Dividends are net of foreign withholding taxes of \$48,000.

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 \$289,000, less than \$1,000, less than \$1,000, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$277,717,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024	Year Ended August 31, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	109,552	204,902
Realized Net Gain (Loss)	241,324	226,883
Change in Unrealized Appreciation (Depreciation)	(36,428)	(95,470)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>314,448</b>	<b>336,315</b>
<b>Distributions</b>		
ETF Shares	(97,327)	(169,896)
Admiral Shares	(17,717)	(30,958)
<b>Total Distributions</b>	<b>(115,044)</b>	<b>(200,854)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(682,187)	81,812
Admiral Shares	17,583	(25,525)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(664,604)</b>	<b>56,287</b>
<b>Total Increase (Decrease)</b>	<b>(465,200)</b>	<b>191,748</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>8,164,114</b>	<b>7,972,366</b>
<b>End of Period</b>	<b>7,698,914</b>	<b>8,164,114</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$192.42</b>	<b>\$188.63</b>	<b>\$187.61</b>	<b>\$167.31</b>	<b>\$154.72</b>	<b>\$140.13</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	2.697	4.909	4.356	4.385	3.992	3.896
Net Realized and Unrealized Gain (Loss) on Investments	6.083	3.705	.907	20.341	12.658	14.346
Total from Investment Operations	8.780	8.614	5.263	24.726	16.650	18.242
<b>Distributions</b>						
Dividends from Net Investment Income	(2.820)	(4.824)	(4.243)	(4.427)	(4.060)	(3.652)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(2.820)	(4.824)	(4.243)	(4.427)	(4.060)	(3.652)
<b>Net Asset Value, End of Period</b>	<b>\$198.38</b>	<b>\$192.42</b>	<b>\$188.63</b>	<b>\$187.61</b>	<b>\$167.31</b>	<b>\$154.72</b>
<b>Total Return</b>	<b>4.65%</b>	<b>4.65%</b>	<b>2.83%</b>	<b>15.01%</b>	<b>11.01%</b>	<b>13.24%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$6,420	\$6,940	\$6,747	\$5,908	\$5,712	\$5,296
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.66%	2.57%	2.27%	2.50%	2.58%	2.71%
Portfolio Turnover Rate <sup>3</sup>	4%	9%	5%	8%	3%	6%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,	Year Ended August 31,				
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$94.88</b>	<b>\$93.01</b>	<b>\$92.51</b>	<b>\$82.50</b>	<b>\$76.29</b>	<b>\$69.09</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.330	2.416	2.147	2.160	1.973	1.923
Net Realized and Unrealized Gain (Loss) on Investments	3.001	1.831	.448	10.032	6.239	7.076
Total from Investment Operations	4.331	4.247	2.595	12.192	8.212	8.999
<b>Distributions</b>						
Dividends from Net Investment Income	(1.391)	(2.377)	(2.095)	(2.183)	(2.002)	(1.799)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.391)	(2.377)	(2.095)	(2.183)	(2.002)	(1.799)
<b>Net Asset Value, End of Period</b>	<b>\$97.82</b>	<b>\$94.88</b>	<b>\$93.01</b>	<b>\$92.51</b>	<b>\$82.50</b>	<b>\$76.29</b>
<b>Total Return<sup>2</sup></b>	<b>4.66%</b>	<b>4.65%</b>	<b>2.85%</b>	<b>15.04%</b>	<b>11.03%</b>	<b>13.24%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,279	\$1,224	\$1,225	\$846	\$791	\$710
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.66%	2.56%	2.27%	2.50%	2.59%	2.71%
Portfolio Turnover Rate <sup>4</sup>	4%	9%	5%	8%	3%	6%

The expense ratio and net investment income ratio for the current period have been annualized.

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> 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.

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

<sup>4</sup> 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 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$245,000, representing less than 0.01% of the fund's net assets and 0.10% 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 six months ended February 29, 2024, custodian fee offset arrangements reduced the fund's expenses by \$1,000 (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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	7,677,048	—	—	7,677,048
Temporary Cash Investments	23,273	—	—	23,273
Total	7,700,321	—	—	7,700,321
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Swap Contracts	—	35	—	35
<b>Liabilities</b>				
Swap Contracts	—	59	—	59

E. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	7,072,928
Gross Unrealized Appreciation	1,243,412
Gross Unrealized Depreciation	(616,019)
Net Unrealized Appreciation (Depreciation)	627,393

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$325,238,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$304,754,000 of investment securities and sold \$289,959,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$329,888,000 and \$1,013,785,000, 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 six months ended February 29, 2024, such purchases were \$110,000 and sales were \$17,176,000, resulting in net realized loss of \$1,038,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	337,877 <sup>1</sup>	1,766 <sup>1</sup>	1,190,077	6,226
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,020,064) <sup>1</sup>	(5,475) <sup>1</sup>	(1,108,265)	(5,925)
Net Increase (Decrease)—ETF Shares	(682,187)	(3,709)	81,812	301
<b>Admiral Shares</b>				
Issued	195,770	2,107	326,126	3,468
Issued in Lieu of Cash Distributions	15,653	170	27,369	295
Redeemed	(193,840)	(2,096)	(379,020)	(4,040)
Net Increase (Decrease)—Admiral Shares	17,583	181	(25,525)	(277)

<sup>1</sup> Includes unsettled in-kind transactions as of February 29, 2024 for 270,000 issued shares and 135,000 redeemed shares valued at \$53,503,000 and \$24,676,000, respectively, which settled shortly afterwards.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

# Energy Index Fund

## Fund Allocation

As of February 29, 2024

Coal & Consumable Fuels	0.4%
Integrated Oil & Gas	38.5
Oil & Gas Drilling	1.2
Oil & Gas Equipment & Services	9.8
Oil & Gas Exploration & Production	28.4
Oil & Gas Refining & Marketing	10.6
Oil & Gas Storage & Transportation	11.1

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		
<b>Common Stocks (99.5%)</b>			<b>Oil &amp; Gas Exploration &amp; Production (28.2%)</b>			<b>Oil &amp; Gas Refining &amp; Marketing (10.5%)</b>				
<b>Coal &amp; Consumable Fuels (0.5%)</b>			ConocoPhillips			Marathon Petroleum Corp.				
	Peabody Energy Corp.	611,721	15,152		6,154,718	692,652		1,967,796		
	CONSOL Energy Inc.	160,717	13,793		EOG Resources Inc.	3,022,765	345,986	Phillips 66	2,280,391	324,979
*	Uranium Energy Corp.	1,935,203	12,540		Pioneer Natural Resources Co.	1,210,983	284,811	Valero Energy Corp.	1,764,515	249,608
*	Centrus Energy Corp. Class A	69,095	2,818		Hess Corp.	1,432,933	208,850	HF Sinclair Corp.	827,450	45,923
*.1	Enviva Inc.	193,776	78		Diamondback Energy Inc.	881,386	160,871	PBF Energy Inc. Class A	570,067	26,622
			<b>44,381</b>		Devon Energy Corp.	3,321,160	146,330	* Par Pacific Holdings Inc.	297,899	10,760
<b>Integrated Oil &amp; Gas (38.3%)</b>			Coterra Energy Inc.			3,899,224	100,522	Delek US Holdings Inc.	331,283	8,451
	Exxon Mobil Corp.	20,432,056	2,135,558		Marathon Oil Corp.	3,033,342	73,559	World Kinect Corp.	312,123	7,603
	Chevron Corp.	9,267,337	1,408,728		Ovintiv Inc. (XNYS)	1,343,860	66,400	* Green Plains Inc.	316,372	6,739
	Occidental Petroleum Corp.	3,411,616	206,778		EQT Corp.	1,725,536	64,104	CVR Energy Inc.	182,706	6,062
			<b>3,751,064</b>		Texas Pacific Land Corp.	31,823	50,135	* REX American Resources Corp.	81,389	3,580
<b>Oil &amp; Gas Drilling (1.2%)</b>			1 Chesapeake Energy Corp.			576,263	47,703	* Clean Energy Fuels Corp.	927,352	2,736
	Noble Corp. plc	584,917	24,455		APA Corp.	1,570,871	46,796	*.1 Gevo Inc.	1,248,085	1,113
	Patterson-UTI Energy Inc.	1,947,088	22,528		* Range Resources Corp.	1,250,814	39,551	* Vertex Energy Inc.	454,651	614
*	Valaris Ltd.	340,054	21,440		* Antero Resources Corp.	1,480,003	38,036			<b>1,027,800</b>
	Helmerich & Payne Inc.	515,396	19,786		* Southwestern Energy Co.	5,423,912	37,805	<b>Oil &amp; Gas Storage &amp; Transportation (11.1%)</b>		
*	Transocean Ltd. (XNYS)	3,774,853	17,704		Matador Resources Co.	586,665	37,048	Williams Cos. Inc.	6,305,670	226,626
*	Diamond Offshore Drilling Inc.	530,430	5,883		Permian resources Corp.	2,240,985	34,870	ONEOK Inc.	2,869,647	215,568
*	Nabors Industries Ltd. (XNYS)	48,535	3,804		Chord Energy Corp.	213,964	34,758	Cheniere Energy Inc.	1,234,951	191,664
			<b>115,600</b>		Murphy Oil Corp.	760,697	30,177	Kinder Morgan Inc.	10,369,548	180,326
<b>Oil &amp; Gas Equipment &amp; Services (9.7%)</b>			SM Energy Co.			602,878	26,388	Targa Resources Corp.	1,097,980	107,866
	Schlumberger NV	7,404,500	357,860		Civitas Resources Inc.	340,185	23,364	DTE Midstream LLC	502,664	28,969
	Halliburton Co.	4,639,362	162,702		Magnolia Oil & Gas Corp. Class A	912,180	20,688	Antero Midstream Corp. Equitrans Midstream Corp.	1,864,970	24,991
	Baker Hughes Co.	5,215,727	154,333		* CNX Resources Corp.	823,360	17,249	* Plains GP Holdings LP Class A	1,018,223	17,513
*	TechnipFMC plc	2,257,110	48,957		Northern Oil & Gas Inc.	468,931	16,755	* EnLink Midstream LLC	1,184,060	14,599
*	Weatherford International plc	355,127	36,440		* Kosmos Energy Ltd.	2,385,285	14,646	Hess Midstream LP Class A	406,202	13,847
	NOV Inc.	2,041,942	34,509		California Resources Corp.	266,677	13,912	1 New Fortress Energy Inc. International	318,843	11,207
	ChampionX Corp.	1,009,710	31,362		Viper Energy Inc.	361,394	13,061	Seaways Inc.	190,187	10,067
*	Tidewater Inc.	257,289	18,018		Sitio Royalties Corp. Class A	423,931	9,674	Dorian LPG Ltd.	178,947	6,469
	Liberty Energy Inc.	830,226	17,750		* Talos Energy Inc.	718,949	9,483	Kinetik Holdings Inc.	132,938	4,695
	Cactus Inc. Class A	334,919	15,373		* Gulfport Energy Corp.	66,175	9,396	* NextDecade Corp.	465,688	2,138
	Archrock Inc.	769,082	14,051		* Callon Petroleum Co.	275,674	8,590	Excelerate Energy Inc. Class A	94,672	1,486
*	Oceaneering International Inc.	522,129	10,317		* Vital Energy Inc.	119,421	6,010			<b>1,082,038</b>
*	Expro Group Holdings NV	487,689	8,725		1 Kimbell Royalty Partners LP	343,887	5,396	<b>Total Common Stocks (Cost \$8,651,822)</b>		
*	Helix Energy Solutions Group Inc.	742,189	6,680		Crescent Energy Co. Class A	413,533	4,623			<b>9,734,959</b>
*	US Silica Holdings Inc.	399,205	4,591		Comstock Resources Inc.	505,342	4,321			
	Select Water Solutions Inc.	484,949	4,141		*.1 Tellurian Inc.	3,484,057	2,766			
*	Dril-Quip Inc.	167,966	3,796		Vitesse Energy Inc.	119,557	2,717			
	RPC Inc.	503,876	3,724		* SilverBow Resources Inc.	92,339	2,621			
	Core Laboratories Inc.	241,781	3,619		Berry Corp.	351,332	2,477			
*	ProPetro Holding Corp.	428,648	3,172		SandRidge Energy Inc.	173,419	2,261			
*	Newpark Resources Inc.	418,971	2,694		1 HighPeak Energy Inc.	133,311	2,209			
*	Bristow Group Inc.	95,477	2,573		W&T Offshore Inc.	528,076	1,595			
*	Kodiak Gas Services Inc.	100,442	2,561		Riley Exploration Permian Inc.	31,777	751			
*	TETRA Technologies Inc.	642,359	2,505				<b>2,761,917</b>			
*	DMC Global Inc.	102,258	1,706							
			<b>952,159</b>							

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (0.2%)</b>		
<b>Money Market Fund (0.2%)</b>		
<sup>2,3</sup> Vanguard Market Liquidity Fund, 5.400% (Cost \$14,111)	141,144	14,113
<b>Total Investments (99.7%) (Cost \$8,665,933)</b>		<b>9,749,072</b>
<b>Other Assets and Liabilities— Net (0.3%)</b>		<b>33,995</b>
<b>Net Assets (100.0%)</b>		<b>9,783,067</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$13,653,000.

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 \$14,090,000 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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
EQT Corp.	8/30/24	BANA	11,145	(5.326)	2	—
Exxon Mobil Corp.	1/31/25	CITNA	29,788	(5.311)	—	(13)
ONEOK Inc.	1/31/25	CITNA	11,268	(5.326)	104	—
					106	(13)

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 February 29, 2024, the counterparties had deposited in segregated accounts securities with a value of \$1,793,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$8,651,822)	9,734,959
Affiliated Issuers (Cost \$14,111)	14,113
Total Investments in Securities	9,749,072
Investment in Vanguard	303
Receivables for Investment Securities Sold	31,599
Receivables for Accrued Income	50,165
Receivables for Capital Shares Issued	551
Unrealized Appreciation—Over-the-Counter Swap Contracts	106
<b>Total Assets</b>	<b>9,831,796</b>
<b>Liabilities</b>	
Due to Custodian	2,292
Payables for Investment Securities Purchased	29,889
Collateral for Securities on Loan	14,090
Payables for Capital Shares Redeemed	2,072
Payables to Vanguard	373
Unrealized Depreciation—Over-the-Counter Swap Contracts	13
<b>Total Liabilities</b>	<b>48,729</b>
<b>Net Assets</b>	<b>9,783,067</b>

<sup>1</sup> Includes \$13,653,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	9,856,169
Total Distributable Earnings (Loss)	(73,102)
<b>Net Assets</b>	<b>9,783,067</b>

## ETF Shares—Net Assets

Applicable to 67,451,201 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,102,294
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$120.12</b>

## Admiral Shares—Net Assets

Applicable to 28,009,419 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,680,773
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$60.01</b>

## Statement of Operations

	Six Months Ended February 29, 2024 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	163,850
Interest <sup>1</sup>	721
Securities Lending—Net	45
Total Income	164,616
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	110
Management and Administrative— ETF Shares	3,550
Management and Administrative— Admiral Shares	801
Marketing and Distribution— ETF Shares	214
Marketing and Distribution— Admiral Shares	48
Custodian Fees	43
Shareholders' Reports—ETF Shares	154
Shareholders' Reports—Admiral Shares	11
Trustees' Fees and Expenses	4
Other Expenses	8
Total Expenses	4,943
Expenses Paid Indirectly	(6)
Net Expenses	4,937
<b>Net Investment Income</b>	<b>159,679</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	279,982
Swap Contracts	(3,760)
<b>Realized Net Gain (Loss)</b>	<b>276,222</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	(666,687)
Swap Contracts	381
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(666,306)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(230,405)</b>

<sup>1</sup> Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$721,000, (\$4,000), less than \$1,000, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$330,722,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024 (\$000)	Year Ended August 31, 2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	159,679	356,851
Realized Net Gain (Loss)	276,222	714,427
Change in Unrealized Appreciation (Depreciation)	(666,306)	237,598
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(230,405)</b>	<b>1,308,876</b>
<b>Distributions</b>		
ETF Shares	(130,526)	(311,564)
Admiral Shares	(28,694)	(77,509)
<b>Total Distributions</b>	<b>(159,220)</b>	<b>(389,073)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(21,541)	(162,937)
Admiral Shares	(146,059)	(222,832)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(167,600)</b>	<b>(385,769)</b>
<b>Total Increase (Decrease)</b>	<b>(557,225)</b>	<b>534,034</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>10,340,292</b>	<b>9,806,258</b>
<b>End of Period</b>	<b>9,783,067</b>	<b>10,340,292</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$124.62</b>	<b>\$113.45</b>	<b>\$67.99</b>	<b>\$47.90</b>	<b>\$75.75</b>	<b>\$103.13</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.935	4.205	3.625	2.802	2.957	2.769
Net Realized and Unrealized Gain (Loss) on Investments	(4.509)	11.554	45.526	19.789	(28.064)	(27.449)
Total from Investment Operations	(2.574)	15.759	49.151	22.591	(25.107)	(24.680)
<b>Distributions</b>						
Dividends from Net Investment Income	(1.926)	(4.589)	(3.691)	(2.501)	(2.743)	(2.700)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.926)	(4.589)	(3.691)	(2.501)	(2.743)	(2.700)
<b>Net Asset Value, End of Period</b>	<b>\$120.12</b>	<b>\$124.62</b>	<b>\$113.45</b>	<b>\$67.99</b>	<b>\$47.90</b>	<b>\$75.75</b>
<b>Total Return</b>	<b>-2.10%</b>	<b>14.51%</b>	<b>74.07%</b>	<b>48.07%</b>	<b>-33.87%</b>	<b>-24.34%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$8,102	\$8,440	\$7,862	\$4,806	\$2,720	\$3,029
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.09%	3.58%	3.80%	4.54%	4.91%	3.15%
Portfolio Turnover Rate <sup>3</sup>	3%	9%	6%	5%	8%	7%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$62.25</b>	<b>\$56.67</b>	<b>\$33.97</b>	<b>\$23.93</b>	<b>\$37.84</b>	<b>\$51.52</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.962	2.095	1.829	1.435	1.461	1.388
Net Realized and Unrealized Gain (Loss) on Investments	(2.240)	5.777	22.715	9.855	(14.001)	(13.720)
Total from Investment Operations	(1.278)	7.872	24.544	11.290	(12.540)	(12.332)
<b>Distributions</b>						
Dividends from Net Investment Income	(.962)	(2.292)	(1.844)	(1.250)	(1.370)	(1.348)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.962)	(2.292)	(1.844)	(1.250)	(1.370)	(1.348)
<b>Net Asset Value, End of Period</b>	<b>\$60.01</b>	<b>\$62.25</b>	<b>\$56.67</b>	<b>\$33.97</b>	<b>\$23.93</b>	<b>\$37.84</b>
<b>Total Return<sup>2</sup></b>	<b>-2.08%</b>	<b>14.58%</b>	<b>73.97%</b>	<b>48.18%</b>	<b>-33.82%</b>	<b>-24.33%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,681	\$1,900	\$1,944	\$1,100	\$407	\$468
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.07%	3.57%	3.83%	4.52%	4.84%	3.15%
Portfolio Turnover Rate <sup>4</sup>	3%	9%	6%	5%	8%	7%

The expense ratio and net investment income ratio for the current period have been annualized.

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> 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.

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

<sup>4</sup> 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. **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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$303,000, representing less than 0.01% of the fund's net assets and 0.12% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the six months ended February 29, 2024, custodian fee offset arrangements reduced the fund's expenses by \$6,000 (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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	9,734,959	—	—	9,734,959
Temporary Cash Investments	14,113	—	—	14,113
Total	9,749,072	—	—	9,749,072
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Swap Contracts	—	106	—	106
<b>Liabilities</b>				
Swap Contracts	—	13	—	13

E. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	8,707,596
Gross Unrealized Appreciation	1,467,966
Gross Unrealized Depreciation	(426,490)
Net Unrealized Appreciation (Depreciation)	1,041,476

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$1,447,157,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$298,604,000 of investment securities and sold \$416,115,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$826,084,000 and \$883,631,000, 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 six months ended February 29, 2024, such purchases were \$0 and sales were \$3,234,000, resulting in net realized loss of \$199,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	862,166 <sup>1</sup>	7,099 <sup>1</sup>	1,972,280	16,850
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(883,707) <sup>1</sup>	(7,375) <sup>1</sup>	(2,135,217)	(18,425)
Net Increase (Decrease)—ETF Shares	(21,541)	(276)	(162,937)	(1,575)
<b>Admiral Shares</b>				
Issued	197,248	3,269	706,787	12,005
Issued in Lieu of Cash Distributions	25,154	410	68,739	1,272
Redeemed	(368,461)	(6,195)	(998,358)	(17,057)
Net Increase (Decrease)—Admiral Shares	(146,059)	(2,516)	(222,832)	(3,780)

<sup>1</sup> Includes unsettled in-kind transactions as of February 29, 2024 for 225,000 issued shares and 500,000 redeemed shares valued at \$26,961,000 and \$58,841,000, respectively, which settled shortly afterwards.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

# Financials Index Fund

## Fund Allocation

As of February 29, 2024

Banks	26.5%
Capital Markets	23.1
Consumer Finance	4.3
Financial Services	28.1
Insurance	17.2
Mortgage Real Estate Investment Trusts (REITs)	0.8

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)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* NCR Atleos Corp.	107,587	2,341	First American Financial Corp.	157,888	9,222	Hannon Armstrong Sustainable Infrastructure Capital Inc.	169,646	4,270
* Rocket Cos. Inc. Class A	186,022	2,336	RLI Corp.	62,608	9,169	Arbor Realty Trust Inc.	284,630	3,814
* Cannae Holdings Inc.	101,330	2,211	* Ryan Specialty Holdings Inc.	153,324	8,031	Apollo Commercial Real Estate Finance Inc.	204,698	2,295
* Payoneer Global Inc.	413,941	2,012	Axis Capital Holdings Ltd.	123,319	7,716	Ready Capital Corp.	251,704	2,223
Merchants Bancorp	26,451	1,134	Assured Guaranty Ltd.	83,343	7,634	Ladder Capital Corp.	173,741	1,878
* Repay Holdings Corp.	128,334	1,115	Hanover Insurance Group Inc.	54,578	7,175	Two Harbors Investment Corp.	147,637	1,871
* International Money Express Inc.	49,701	979	Lincoln National Corp.	258,786	7,127	PennyMac Mortgage Investment Trust	130,225	1,840
Cass Information Systems Inc.	19,915	962	White Mountains Insurance Group Ltd.	3,950	6,974	MFA Financial Inc. REIT	155,680	1,747
* I3 Verticals Inc. Class A	35,323	753	* Enstar Group Ltd.	18,507	5,699	Claros Mortgage Trust Inc.	170,290	1,648
A-Mark Precious Metals Inc.	28,739	738	Kemper Corp.	97,643	5,598	Franklin BSP Realty Trust Inc. REIT	126,503	1,633
* Paymentus Holdings Inc. Class A	26,059	405	* American Equity Investment Life Holding Co.	96,404	5,354	<sup>1</sup> ARMOUR Residential REIT Inc.	75,431	1,493
Guild Holdings Co. Class A	15,960	219	CNO Financial Group Inc.	171,863	4,587	Chimera Investment Corp.	336,714	1,468
		<b>2,739,262</b>	* Brighthouse Financial Inc.	97,691	4,548	Brightspire Capital Inc.	200,833	1,388
<b>Insurance (17.0%)</b>			* Genworth Financial Inc. Class A	687,336	4,227	Ellington Financial Inc.	113,767	1,289
Progressive Corp.	891,480	168,989	* Oscar Health Inc. Class A	200,730	3,264	Dynex Capital Inc.	89,433	1,104
Chubb Ltd.	622,047	156,551	* Palomar Holdings Inc.	38,059	2,898	Redwood Trust Inc.	173,800	1,065
Marsh & McLennan Cos. Inc.	751,696	152,046	Stewart Information Services Corp.	41,831	2,635	New York Mortgage Trust Inc.	139,625	1,007
Aon plc Class A (XNYS)	305,096	96,407	* BRP Group Inc. Class A	92,340	2,569	KKR Real Estate Finance Trust Inc.	89,808	876
Arthur J Gallagher & Co.	329,030	80,260	* Goosehead Insurance Inc. Class A	33,610	2,543	<sup>1</sup> Orchid Island Capital Inc.	81,562	701
American International Group Inc.	1,069,765	77,975	Horace Mann Educators Corp.	62,462	2,261	Invesco Mortgage Capital Inc. REIT	75,163	679
Travelers Cos. Inc.	347,959	76,885	Mercury General Corp.	42,318	2,061	TPG RE Finance Trust Inc.	83,301	623
Aflac Inc.	845,803	68,290	* SiriusPoint Ltd.	153,154	1,879	Ares Commercial Real Estate Corp.	74,902	565
MetLife Inc.	958,717	66,861	Safety Insurance Group Inc.	22,680	1,863			<b>82,662</b>
Allstate Corp.	398,764	63,611	Employers Holdings Inc.	38,941	1,780	<b>Total Common Stocks</b>		<b>9,762,241</b>
Prudential Financial Inc.	550,100	59,955	* Skyward Specialty Insurance Group Inc.	42,718	1,563	<b>Temporary Cash Investments (1.0%)</b>		
Hartford Financial Services Group Inc.	458,244	43,918	AMERISAFE Inc.	29,473	1,555	<b>Money Market Fund (1.0%)</b>		
Willis Towers Watson plc	157,328	42,889	National Western Life Group Inc. Class A	3,182	1,545	<sup>2,3</sup> Vanguard Market Liquidity Fund, 5.400% (Cost \$96,684)	967,098	<b>96,700</b>
Brown & Brown Inc.	368,606	31,040	* <sup>1</sup> Trupanion Inc.	49,541	1,325	<b>Total Investments (99.9%)</b>		<b>9,858,941</b>
Markel Group Inc.	20,134	30,050	* <sup>1</sup> Lemonade Inc.	79,025	1,283	<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>11,275</b>
Principal Financial Group Inc.	363,360	29,381	HCI Group Inc.	10,891	1,063	<b>Net Assets (100.0%)</b>		<b>9,870,216</b>
Cincinnati Financial Corp.	238,728	27,215	ProAssurance Corp.	75,374	929			
W R Berkley Corp.	314,414	26,285	United Fire Group Inc.	32,467	756			
* Arch Capital Group Ltd.	293,649	25,721	James River Group Holdings Ltd.	57,311	573			
Everest Group Ltd.	66,149	24,401	Donegal Group Inc. Class A	25,015	350			
Loews Corp.	288,959	21,710	* Hagerty Inc. Class A	37,729	324			
Fidelity National Financial Inc.	393,835	19,920	* Hippo Holdings Inc.	18,703	263			
Globe Life Inc.	143,647	18,233			<b>1,682,839</b>			
Reinsurance Group of America Inc.	100,264	17,732	<b>Mortgage Real Estate Investment Trusts (REITs) (0.8%)</b>					
RenaissanceRe Holdings Ltd.	78,010	17,538	Annaly Capital Management Inc.	763,553	14,576			
Kinsale Capital Group Inc.	33,655	17,372	AGNC Investment Corp.	1,025,524	9,804			
Erie Indemnity Co. Class A	38,612	15,710	Starwood Property Trust Inc.	477,557	9,737			
Unum Group	296,371	14,656	Rithm Capital Corp.	735,487	7,973			
Assurant Inc.	80,336	14,577	Blackstone Mortgage Trust Inc. Class A	250,123	5,095			
American Financial Group Inc.	108,572	13,861						
Primerica Inc.	53,219	13,053						
Old Republic International Corp.	405,708	11,749						
Selective Insurance Group Inc.	92,412	9,655						

Cost is in \$000.

- See Note A in Notes to Financial Statements.
- \* Non-income-producing security.
- <sup>1</sup> Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$6,257,000.
- <sup>2</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.
- <sup>3</sup> Collateral of \$6,646,000 was received for securities on loan.

REIT—Real Estate Investment Trust.

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**Derivative Financial Instruments Outstanding as of Period End**


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## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Arch Capital Group Ltd.	8/30/24	BANA	24,087	(5.326)	—	(97)
Visa Inc. Class A	8/30/24	BANA	84,792	(5.226)	—	(189)
					—	(286)

<sup>1</sup> 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 February 29, 2024, the counterparties had deposited in segregated accounts securities with a value of \$5,279,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$8,361,984)	9,762,241
Affiliated Issuers (Cost \$96,684)	96,700
Total Investments in Securities	9,858,941
Investment in Vanguard	303
Receivables for Investment Securities Sold	37,052
Receivables for Accrued Income	14,571
Receivables for Capital Shares Issued	4,664
<b>Total Assets</b>	<b>9,915,531</b>
<b>Liabilities</b>	
Due to Custodian	61
Payables for Investment Securities Purchased	29,040
Collateral for Securities on Loan	6,646
Payables for Capital Shares Redeemed	8,905
Payables to Vanguard	377
Unrealized Depreciation—Over-the-Counter Swap Contracts	286
<b>Total Liabilities</b>	<b>45,315</b>
<b>Net Assets</b>	<b>9,870,216</b>

<sup>1</sup> Includes \$6,257,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	9,031,400
Total Distributable Earnings (Loss)	838,816
<b>Net Assets</b>	<b>9,870,216</b>

## ETF Shares—Net Assets

Applicable to 93,066,731 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	9,126,858
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$98.07</b>

## Admiral Shares—Net Assets

Applicable to 15,124,687 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	743,358
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$49.15</b>



## Statement of Operations

	Six Months Ended February 29, 2024 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	96,320
Interest <sup>1</sup>	2,404
Securities Lending—Net	879
Total Income	99,603
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	104
Management and Administrative— ETF Shares	3,795
Management and Administrative— Admiral Shares	305
Marketing and Distribution— ETF Shares	219
Marketing and Distribution— Admiral Shares	18
Shareholders' Reports—ETF Shares	146
Shareholders' Reports—Admiral Shares	5
Trustees' Fees and Expenses	3
Other Expenses	8
Total Expenses	4,603
<b>Net Investment Income</b>	<b>95,000</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	389,768
Swap Contracts	12,063
<b>Realized Net Gain (Loss)</b>	<b>401,831</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	1,103,382
Swap Contracts	(286)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,103,096</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,599,927</b>

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 \$2,404,000, (\$2,000), \$1,000, and less than \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

2 Includes \$415,659,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024 (\$000)	Year Ended August 31, 2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	95,000	213,304
Realized Net Gain (Loss)	401,831	(224,804)
Change in Unrealized Appreciation (Depreciation)	1,103,096	437,385
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,599,927</b>	<b>425,885</b>
<b>Distributions</b>		
ETF Shares	(105,827)	(200,453)
Admiral Shares	(8,120)	(16,982)
<b>Total Distributions</b>	<b>(113,947)</b>	<b>(217,435)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(959,230)	(155,821)
Admiral Shares	(31,193)	(75,505)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(990,423)</b>	<b>(231,326)</b>
<b>Total Increase (Decrease)</b>	<b>495,557</b>	<b>(22,876)</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>9,374,659</b>	<b>9,397,535</b>
<b>End of Period</b>	<b>9,870,216</b>	<b>9,374,659</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended					
	February 29, 2024	2023	2022	2021	Year Ended August 31, 2020 2019	
<b>Net Asset Value, Beginning of Period</b>	<b>\$83.49</b>	<b>\$81.31</b>	<b>\$94.79</b>	<b>\$61.18</b>	<b>\$67.31</b>	<b>\$71.60</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.893	1.924	1.852	1.676	1.652	1.539
Net Realized and Unrealized Gain (Loss) on Investments	14.732	2.219	(13.457)	33.519	(6.081)	(4.338)
Total from Investment Operations	15.625	4.143	(11.605)	35.195	(4.429)	(2.799)
<b>Distributions</b>						
Dividends from Net Investment Income	(1.045)	(1.963)	(1.875)	(1.585)	(1.701)	(1.491)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.045)	(1.963)	(1.875)	(1.585)	(1.701)	(1.491)
<b>Net Asset Value, End of Period</b>	<b>\$98.07</b>	<b>\$83.49</b>	<b>\$81.31</b>	<b>\$94.79</b>	<b>\$61.18</b>	<b>\$67.31</b>
<b>Total Return</b>	<b>18.89%</b>	<b>5.27%</b>	<b>-12.43%</b>	<b>58.26%</b>	<b>-6.73%</b>	<b>-3.85%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$9,127	\$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%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.00%	2.34%	2.03%	2.09%	2.53%	2.30%
Portfolio Turnover Rate <sup>2</sup>	2%	20%	6%	4%	5%	5%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

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

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,		Year Ended August 31,			
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$41.84</b>	<b>\$40.75</b>	<b>\$47.51</b>	<b>\$30.66</b>	<b>\$33.73</b>	<b>\$35.88</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.449	.962	.931	.841	.828	.771
Net Realized and Unrealized Gain (Loss) on Investments	7.385	1.112	(6.751)	16.803	(3.046)	(2.174)
Total from Investment Operations	7.834	2.074	(5.820)	17.644	(2.218)	(1.403)
<b>Distributions</b>						
Dividends from Net Investment Income	(.524)	(.984)	(.940)	(.794)	(.852)	(.747)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.524)	(.984)	(.940)	(.794)	(.852)	(.747)
<b>Net Asset Value, End of Period</b>	<b>\$49.15</b>	<b>\$41.84</b>	<b>\$40.75</b>	<b>\$47.51</b>	<b>\$30.66</b>	<b>\$33.73</b>
<b>Total Return<sup>2</sup></b>	<b>18.91%</b>	<b>5.27%</b>	<b>-12.43%</b>	<b>58.32%</b>	<b>-6.70%</b>	<b>-3.87%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$743	\$664	\$721	\$822	\$432	\$490
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.01%	2.34%	2.05%	2.09%	2.53%	2.30%
Portfolio Turnover Rate <sup>3</sup>	2%	20%	6%	4%	5%	5%

The expense ratio and net investment income ratio for the current period have been annualized.

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> 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.

<sup>3</sup> 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$303,000, representing less than 0.01% of the fund's net assets and 0.12% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. 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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	9,762,241	—	—	9,762,241
Temporary Cash Investments	96,700	—	—	96,700
Total	9,858,941	—	—	9,858,941
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	286	—	286

D. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	8,469,496
Gross Unrealized Appreciation	1,800,212
Gross Unrealized Depreciation	(410,767)
Net Unrealized Appreciation (Depreciation)	1,389,445

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$986,249,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

E. During the six months ended February 29, 2024, the fund purchased \$145,219,000 of investment securities and sold \$222,668,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$994,566,000 and \$1,930,917,000, 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 six months ended February 29, 2024, such purchases were \$3,335,000 and sales were \$11,760,000, resulting in

net realized loss of \$308,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	1,013,947 <sup>1</sup>	11,861 <sup>1</sup>	2,179,191	26,823
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,973,177) <sup>1</sup>	(23,125) <sup>1</sup>	(2,335,012)	(29,200)
Net Increase (Decrease)—ETF Shares	(959,230)	(11,264)	(155,821)	(2,377)
<b>Admiral Shares</b>				
Issued	67,499	1,502	185,881	4,558
Issued in Lieu of Cash Distributions	6,652	155	14,096	359
Redeemed	(105,344)	(2,396)	(275,482)	(6,754)
Net Increase (Decrease)—Admiral Shares	(31,193)	(739)	(75,505)	(1,837)

<sup>1</sup> Includes unsettled in-kind transactions as of February 29, 2024 for 325,000 issued shares and 1,375,000 redeemed shares valued at \$27,534,000 and \$127,100,000, respectively, which settled shortly afterwards.

G. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, one shareholder was a record or beneficial owner of 28% 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

# Health Care Index Fund

## Fund Allocation

As of February 29, 2024

Biotechnology	18.7%
Health Care Equipment & Supplies	19.9
Health Care Providers & Services	20.3
Health Care Technology	0.9
Life Sciences Tools & Services	11.3
Pharmaceuticals	28.9

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.9%)</b>								
<b>Biotechnology (18.6%)</b>								
AbbVie Inc.	6,022,622	1,060,283	* Beam Therapeutics Inc.	236,415	9,336	* Arcus Biosciences Inc.	167,095	3,197
Amgen Inc.	1,825,616	499,908	* Intellia Therapeutics Inc.	290,464	9,330	* Arcturus Therapeutics Holdings Inc.	81,503	3,159
* Vertex Pharmaceuticals Inc.	878,988	369,825	* Ideaya Biosciences Inc.	192,450	8,603	* Verve Therapeutics Inc.	178,584	3,045
* Regeneron Pharmaceuticals Inc.	365,424	353,033	* TG Therapeutics Inc.	491,646	8,466	* Mirum Pharmaceuticals Inc.	103,891	2,983
* Gilead Sciences Inc.	4,250,421	306,455	* ACADIA Pharmaceuticals Inc.	364,161	8,463	*.1 MoonLake Immunotherapeutics	61,701	2,976
* Biogen Inc.	494,265	107,251	* CellDex Therapeutics Inc.	167,744	8,062	* 89bio Inc.	254,498	2,919
* Moderna Inc.	1,105,579	101,979	* SpringWorks Therapeutics Inc.	160,238	7,893	* MacroGenics Inc.	158,700	2,847
* Alnylam Pharmaceuticals Inc.	403,113	60,906	* Twist Bioscience Corp.	197,196	7,748	* Relay Therapeutics Inc.	283,179	2,837
* BioMarin Pharmaceutical Inc.	642,529	55,437	* Crinetics Pharmaceuticals Inc.	182,999	7,492	* Disc Medicine Inc.	41,127	2,824
* Neurocrine Biosciences Inc.	335,099	43,697	* Denali Therapeutics Inc.	377,336	7,464	* Geron Corp. (XNGS)	1,390,444	2,781
* Incyte Corp.	649,519	37,906	* Nuvalent Inc. Class A	87,956	7,399	* Day One Biopharmaceuticals Inc.	162,524	2,719
* United Therapeutics Corp.	160,288	36,167	* Ardelyx Inc.	791,837	7,380	*.1 Janux Therapeutics Inc.	55,078	2,665
* Exact Sciences Corp.	616,987	35,495	* Recursion Pharmaceuticals Inc. Class A	532,981	7,174	* Inhibrx Inc.	72,665	2,662
* Karuna Therapeutics Inc.	109,853	34,491	* Vericel Corp.	155,030	7,082	* Viridian Therapeutics Inc.	142,070	2,658
* Natera Inc.	389,394	33,679	* Rhythm Pharmaceuticals Inc.	161,243	7,001	*.1 Aurinia Pharmaceuticals Inc.	464,247	2,656
* Sarepta Therapeutics Inc.	222,193	28,419	* PTC Therapeutics Inc.	232,506	6,554	* Zentalis Pharmaceuticals Inc.	168,625	2,514
* Vaxcyte Inc.	307,858	22,726	* Arcellx Inc.	97,436	6,413	* Editas Medicine Inc.	249,792	2,513
* Viking Therapeutics Inc.	290,049	22,348	* Myriad Genetics Inc.	302,096	6,323	* Cabaletta Bio Inc.	102,340	2,342
* Cytokinetics Inc.	301,055	21,748	* Rocket Pharmaceuticals Inc.	215,368	6,310	* Altimmune Inc.	183,344	2,218
*.1 CRISPR Therapeutics AG	257,208	21,662	* Merus NV	128,038	6,207	*.1 Summit Therapeutics Inc. (XNMS)	474,706	2,155
* Exelixis Inc.	954,432	20,902	* Agios Pharmaceuticals Inc.	190,019	6,141	*.1 ImmunityBio Inc.	454,124	2,148
* Ionis Pharmaceuticals Inc.	440,587	19,919	* Immunovant Inc.	173,314	6,130	* REGENXBIO Inc.	120,223	2,097
* Blueprint Medicines Corp.	197,013	18,425	* Syndax Pharmaceuticals Inc.	260,496	6,106	* Deciphera Pharmaceuticals Inc.	123,331	2,058
* Halozyyme Therapeutics Inc.	451,189	17,962	* Kymera Therapeutics Inc.	137,825	5,885	* Kiniksa Pharmaceuticals Ltd. Class A	96,431	2,039
* Alkermes plc	539,362	16,014	* Veracyte Inc.	248,415	5,850	* Y-mAbs Therapeutics Inc.	119,150	1,990
* Apellis Pharmaceuticals Inc.	242,592	15,033	* Keros Therapeutics Inc.	86,255	5,822	* CareDx Inc.	184,305	1,961
* Arrowhead Pharmaceuticals Inc.	420,364	13,494	* Catalyst Pharmaceuticals Inc.	360,943	5,786	* Fate Therapeutics Inc.	272,139	1,929
* Ultragenyx Pharmaceutical Inc.	252,201	13,044	* Dynavax Technologies Corp.	418,692	5,305	* Travers Therapeutics Inc.	255,076	1,928
* Insmed Inc.	463,697	12,854	* Protagonist Therapeutics Inc.	158,098	4,803	* Allogene Therapeutics Inc.	370,800	1,821
* Bridgebio Pharma Inc.	356,089	12,160	* Ironwood Pharmaceuticals Inc.	478,455	4,512	*.1 Novavax Inc.	364,782	1,802
* Biohaven Ltd.	246,306	11,857	* Xencor Inc.	187,629	4,306	* Avid Bioservices Inc.	214,793	1,650
* Roivant Sciences Ltd.	959,911	10,981	* Akero Therapeutics Inc.	151,846	4,098	* Nurix Therapeutics Inc.	131,712	1,627
* Iovance Biotherapeutics Inc.	654,974	10,421	* Sage Therapeutics Inc.	183,596	3,944	* Alector Inc.	225,596	1,572
* REVOLUTION Medicines Inc.	347,397	10,241	* ADMA Biologics Inc.	734,928	3,939	* Tango Therapeutics Inc.	138,319	1,540
* Cerevel Therapeutics Holdings Inc.	247,443	10,145	* Alpine Immune Sciences Inc.	109,817	3,868	* Cogent Biosciences Inc.	212,187	1,485
* Xenon Pharmaceuticals Inc.	213,863	10,094	* Prothena Corp. plc	138,210	3,813	* Cullinan Oncology Inc.	79,821	1,474
* Krystal Biotech Inc.	62,538	9,973	* MannKind Corp.	926,132	3,806	*.1 Anavex Life Sciences Corp.	278,635	1,432
* Amicus Therapeutics Inc.	750,542	9,622	* Morphic Holding Inc.	101,864	3,764	*.1 Biomea Fusion Inc.	78,320	1,371
* Madrigal Pharmaceuticals Inc.	40,414	9,546	* Kura Oncology Inc.	176,608	3,723	* Lyell Immunopharma Inc.	425,686	1,243
			* Vir Biotechnology Inc.	323,008	3,631	* Prime Medicine Inc.	143,646	1,240
			* BioCryst Pharmaceuticals Inc.	629,628	3,545	* HilleVax Inc.	65,972	1,197
			* Sana Biotechnology Inc.	335,093	3,364	*.1 ALX Oncology Holdings Inc.	76,580	1,123
			* MiMedx Group Inc.	400,692	3,270	* Replimune Group Inc.	120,711	1,036
			* Avidity Biosciences Inc.	177,142	3,242			

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Humacyte Inc.	230,164	1,001	* STERIS plc	336,995	78,489	* AngioDynamics Inc.	135,563	744
* Enanta Pharmaceuticals Inc.	67,718	973	* Align Technology Inc.	248,219	75,066	*.1 Butterfly Network Inc.	518,834	617
*.1 Heron Therapeutics Inc.	359,557	956	* Baxter International Inc.	1,730,531	70,813	* Inogen Inc.	79,185	527
* AnaptysBio Inc.	36,481	931	* Cooper Cos. Inc.	675,731	63,248	* Outset Medical Inc.	160,057	504
* Gossamer Bio Inc.	654,461	923	* Hologic Inc.	818,566	60,410	*.1 Cutera Inc.	47,340	106
* Vanda Pharmaceuticals Inc.	197,717	884	* Insulet Corp.	238,230	39,070			<b>4,148,462</b>
* iTeos Therapeutics Inc.	79,129	848	* Teleflex Inc.	160,316	35,717	<b>Health Care Providers &amp; Services (20.3%)</b>		
* uniQure NV	146,411	842	* Shockwave Medical Inc.	125,875	32,837	UnitedHealth Group Inc.	3,155,112	1,557,363
* 2seventy bio Inc.	158,070	822	* Penumbra Inc.	125,088	29,386	Elevance Health Inc.	801,458	401,731
* MeiraGTx Holdings plc	132,771	819	* DENTSPLY SIRONA Inc.	722,692	23,618	Cigna Group	998,184	335,530
*.1 Ocugen Inc.	853,701	799	* Masimo Corp.	153,075	19,676	CVS Health Corp.	4,389,802	326,470
* Coherus Biosciences Inc.	339,191	773	* Inspire Medical Systems Inc.	100,737	18,036	McKesson Corp.	453,844	236,639
* Monte Rosa Therapeutics Inc.	119,964	759	* Globus Medical Inc. Class A	293,555	15,849	HCA Healthcare Inc.	684,806	213,454
* Organogenesis Holdings Inc.	201,524	719	* Lantheus Holdings Inc.	234,008	15,299	Humana Inc.	419,931	147,110
* Agenus Inc.	1,046,162	701	* Merit Medical Systems Inc.	196,963	15,009	* Centene Corp.	1,822,121	142,909
* Inovio Pharmaceuticals Inc.	76,499	678	* Glaukos Corp.	158,134	14,009	Cencora Inc.	581,868	137,088
* Rapt Therapeutics Inc.	76,436	655	* Haemonetics Corp.	173,440	12,658	Cardinal Health Inc.	840,567	94,127
*.1 Aerovate Therapeutics Inc.	28,272	653	* Integer Holdings Corp.	113,748	12,545	* Molina Healthcare Inc.	198,846	78,327
*.1 Vaxart Inc.	531,606	649	* iRhythm Technologies Inc.	104,595	12,410	Laboratory Corp. of America Holdings	289,534	62,490
* Erasca Inc.	257,468	613	* Neogen Corp.	702,927	12,083	Quest Diagnostics Inc.	383,409	47,884
* Sangamo Therapeutics Inc.	526,178	610	* Envista Holdings Corp.	584,819	12,077	Universal Health Services Inc. Class B	208,090	34,763
* Emergent BioSolutions Inc.	183,220	592	* Axonics Inc.	172,816	11,741	* Henry Schein Inc.	443,152	33,888
* Aldeyra Therapeutics Inc.	159,559	578	* LivaNova plc	184,200	10,096	Chemed Corp.	48,771	30,537
* FibroGen Inc.	327,013	559	* Enovis Corp.	167,881	10,041	* Tenet Healthcare Corp.	311,856	29,003
* Acelyrin Inc.	66,110	559	* TransMedics Group Inc.	111,620	9,108	* Acadia Healthcare Co. Inc.	314,378	26,235
* Stoke Therapeutics Inc.	67,804	525	* CONMED Corp.	104,792	8,417	Encompass Health Corp.	342,086	25,451
* Entrada Therapeutics Inc.	38,723	512	* Integra LifeSciences Holdings Corp.	226,924	8,376	* HealthEquity Inc.	292,651	24,176
*.2 PDL BioPharma Inc.	311,327	501	* Inari Medical Inc.	176,789	8,154	Ensign Group Inc.	192,526	24,050
*.1 IGM Biosciences Inc.	39,384	497	* QuidelOrtho Corp.	170,746	7,786	DaVita Inc.	186,817	23,720
* Foghorn Therapeutics Inc.	62,061	480	* ICU Medical Inc.	69,863	7,631	* Option Care Health Inc.	604,287	19,500
* Seres Therapeutics Inc.	353,709	403	*.1 PROCEPT BioRobotics Corp.	155,079	7,497	* Progyny Inc.	294,227	10,745
*.1 Repare Therapeutics Inc.	55,949	389	* Tandem Diabetes Care Inc.	223,360	5,948	* Amedisys Inc.	111,103	10,335
* Mural Oncology plc	50,877	269	* AtriCure Inc.	161,229	5,638	Select Medical Holdings Corp.	371,861	10,126
* Century Therapeutics Inc.	70,873	260	* Novocure Ltd.	348,041	5,329	Premier Inc. Class A	407,572	8,502
* Eagle Pharmaceuticals Inc.	40,438	237	* UFP Technologies Inc.	24,676	5,140	* R1 RCM Inc.	573,455	8,057
* Atara Biotherapeutics Inc.	277,033	216	* RxSight Inc.	91,719	5,005	* CorVel Corp.	32,168	7,849
* PMV Pharmaceuticals Inc.	99,150	183	* LeMaitre Vascular Inc.	68,714	4,810	Patterson Cos. Inc.	284,198	7,699
*.2 Prevail Therapeutics CVR	78	—	* Alphatec Holdings Inc.	325,976	4,378	* Guardant Health Inc.	393,719	7,481
		<b>3,881,256</b>	* STAAR Surgical Co.	133,504	4,171	* RadNet Inc.	197,000	7,458
<b>Health Care Equipment &amp; Supplies (19.9%)</b>			* Omnicell Inc.	155,782	4,088	* Surgery Partners Inc.	237,110	7,358
* Abbott Laboratories	5,921,886	702,573	*.1 Establishment Labs Holdings Inc.	64,977	2,968	AMN Healthcare Services Inc.	129,322	7,277
* Intuitive Surgical Inc.	1,200,975	463,096	* Avanos Medical Inc.	159,613	2,964	* Privia Health Group Inc.	322,383	7,196
* Stryker Corp.	1,166,425	407,164	* Embecta Corp.	195,208	2,788	* Apollo Medical Holdings Inc.	159,144	7,168
* Medtronic plc	4,535,468	378,077	* Artivion Inc.	125,470	2,422	* NeoGenomics Inc.	433,877	6,768
* Boston Scientific Corp.	4,997,095	330,858	* Varex Imaging Corp.	139,677	2,402	* agilon health Inc.	1,044,095	6,400
* Becton Dickinson & Co.	987,631	232,636	* Silk Road Medical Inc.	125,574	2,259	* Hims & Hers Health Inc.	486,313	6,342
* Edwards Lifesciences Corp.	2,068,906	175,588	* SI-BONE Inc.	124,402	2,158	* Owens & Minor Inc.	235,081	5,719
* IDEXX Laboratories Inc.	283,316	162,972	* Treace Medical Concepts Inc.	157,285	2,114	US PhysicalTherapy Inc.	50,852	5,404
* DexCom Inc.	1,318,042	151,667	* OraSure Technologies Inc.	250,353	1,801	* Addus HomeCare Corp.	55,029	5,078
* GE Healthcare Inc.	1,397,666	127,579	* Atrion Corp.	4,823	1,775	National HealthCare Corp.	47,091	4,646
* Zimmer Biomet Holdings Inc.	712,781	88,641	* Nevro Corp.	111,754	1,627	* Brookdale Senior Living Inc.	608,097	3,478
* ResMed Inc.	501,777	87,169	* Paragon 28 Inc.	127,434	1,590	* AdaptHealth Corp.	256,419	2,623
			* Orthopediatrics Corp.	55,648	1,528	* Pediatrix Medical Group Inc.	270,045	2,471
			* Surmodics Inc.	47,901	1,528	* Accolade Inc.	238,087	2,440
			* Zimvie Inc.	89,989	1,525	* Alignment Healthcare Inc.	358,470	2,151
			* Orthofix Medical Inc.	113,224	1,479	* Cross Country Healthcare Inc.	112,686	2,059
			* Cerus Corp.	612,418	1,335	* Pennant Group Inc.	96,226	1,795
			* Pulmonx Corp.	116,364	1,073	* PetIQ Inc.	94,618	1,723
			*.1 Senseonics Holdings Inc.	1,351,622	949			

Health Care Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Castle Biosciences Inc.	86,469	1,562	* Pacific Biosciences of California Inc.	822,184	4,547	* Harmony Biosciences Holdings Inc.	109,994	3,531
* Fulgent Genetics Inc.	66,034	1,490	* Maravai LifeSciences Holdings Inc. Class A	381,769	2,951	*.1 Cassava Sciences Inc.	137,702	3,164
*.1 OPKO Health Inc.	1,448,394	1,448	* CryoPort Inc.	166,357	2,939	* Innoviva Inc.	195,110	2,981
* Agiliti Inc.	137,182	1,354	* Quanterix Corp.	121,626	2,914	* Amylyx Pharmaceuticals Inc.	149,778	2,823
* Enhabit Inc.	144,688	1,302	* Cytek Biosciences Inc.	370,477	2,853	* Tarsus Pharmaceuticals Inc.	73,402	2,806
* Community Health Systems Inc.	443,347	1,237	* BioLife Solutions Inc.	123,231	2,083	* Evolus Inc.	165,828	2,459
* DocGo Inc.	299,942	1,221	* Mesa Laboratories Inc.	18,324	2,001	* Pliant Therapeutics Inc.	152,490	2,420
* Clover Health Investments Corp.	1,283,267	1,109	* OmniAb Inc.	294,392	1,719	* Amneal Pharmaceuticals Inc.	418,556	2,311
* ModivCare Inc.	38,592	1,082	* Standard Bio Tools Inc.	741,414	1,668	* Liquidia Corp.	154,202	2,184
* 23andMe Holding Co. Class A	935,804	533	* Adaptive Biotechnologies Corp.	347,332	1,428	* Revance Therapeutics Inc.	270,559	1,932
* Aveanna Healthcare Holdings Inc.	194,574	461	* MaxCyte Inc.	298,258	1,372	* Theravance Biopharma Inc.	127,249	1,205
* CareMax Inc.	6,773	52	* Codexis Inc.	238,258	1,108	* Harrow Inc.	102,000	1,104
		<b>4,231,644</b>	* Quantum-Si Inc.	345,141	576	* Ventyx Biosciences Inc.	151,030	1,069
<b>Health Care Technology (0.9%)</b>			* Akoya Biosciences Inc.	83,780	481	* Phathom Pharmaceuticals Inc.	97,060	1,039
* Veeva Systems Inc. Class A	521,686	117,645	* Nautilus Biotechnology Inc.	126,929	341	* Atea Pharmaceuticals Inc.	214,153	923
* Evolent Health Inc. Class A	352,802	11,964	* Seer Inc.	152,839	278	* Phibro Animal Health Corp. Class A	68,831	890
* Doximity Inc. Class A	372,788	10,524	*.1 Bionano Genomics Inc.	118,441	148	*.1 ATAI Life Sciences NV	414,592	804
* Teladoc Health Inc.	564,634	8,515	*.2 OmniAb Inc. 12.5 Earnout	22,076	—	*.1 Enliven Therapeutics Inc.	49,475	790
* Certara Inc.	379,922	6,413	*.2 OmniAb Inc. 15 Earnout	22,076	—	* Terns Pharmaceuticals Inc.	105,666	774
* Schrodinger Inc.	214,771	5,468			<b>2,352,082</b>	* SIGA Technologies Inc.	144,851	755
* Phreesia Inc.	180,397	4,465	<b>Other (0.0%)<sup>3</sup></b>			* Nuvation Bio Inc.	376,098	703
* Simulations Plus Inc.	53,987	2,240	*.2 Chinook Therapeutics Inc. CVR	784	—	* Nektar Therapeutics	643,559	457
* HealthStream Inc.	81,801	2,232				*.4 Scilex Holding Co. (Acquired 1/6/23, Cost \$2,304)	219,844	449
* GoodRx Holdings Inc. Class A	267,888	2,087	<b>Pharmaceuticals (28.9%)</b>			* NGM Biopharmaceuticals Inc.	153,478	233
* Definitive Healthcare Corp.	178,796	1,702	Eli Lilly & Co.	2,752,568	2,074,556	* Aclaris Therapeutics Inc.	170,913	203
* Health Catalyst Inc.	199,461	1,659	Johnson & Johnson	8,211,588	1,325,186	* Cara Therapeutics Inc.	167,355	142
* Multiplan Corp.	883,396	989	Merck & Co. Inc.	8,643,923	1,099,075			<b>6,014,337</b>
* Sharecare Inc.	1,041,706	979	Pfizer Inc.	19,261,020	511,573	<b>Total Common Stocks (Cost \$16,397,339)</b>		<b>20,806,423</b>
* OptimizeRx Corp.	55,669	881	Bristol-Myers Squibb Co.	6,940,940	352,253	<b>Warrants (0.0%)</b>		
* American Well Corp. Class A	813,569	879	Zoetis Inc.	1,566,138	310,612	* Geron Corp. Exp. 12/31/25	152,449	53
		<b>178,642</b>	Viatrix Inc.	4,091,968	50,618	* Advaxis Inc. Exp. 9/11/24	7,710	—
<b>Life Sciences Tools &amp; Services (11.3%)</b>			Royalty Pharma plc Class A	1,295,162	39,295	* Cassava Sciences Inc. Exp. 11/15/24	1	—
Thermo Fisher Scientific Inc.	1,317,985	751,489	* Catalent Inc.	616,254	35,336	<b>Total Warrants (Cost \$—)</b>		<b>53</b>
DanaHER Corp.	2,394,572	606,162	* Elanco Animal Health Inc. (XNYS)	1,681,679	26,722			
* IQVIA Holdings Inc.	622,587	153,879	* Jazz Pharmaceuticals plc	203,981	24,253			
* Agilent Technologies Inc.	999,489	137,290	* Intra-Cellular Therapies Inc.	295,502	20,543			
* Mettler-Toledo International Inc.	73,984	92,274	Organon & Co.	871,362	15,170			
West Pharmaceutical Services Inc.	252,385	90,445	Perrigo Co. plc	461,624	12,122			
* Illumina Inc.	541,753	75,753	* Prestige Consumer Healthcare Inc.	169,212	11,774			
* Waters Corp.	201,722	68,065	* Cymabay Therapeutics Inc.	290,065	9,337			
* Avantar Inc.	2,307,347	56,853	* Arvinas Inc.	197,150	9,065			
Revvity Inc.	421,024	46,140	* Axsome Therapeutics Inc.	104,929	8,539			
* Charles River Laboratories International Inc.	175,008	44,485	* Corcept Therapeutics Inc.	298,823	7,022			
Bio-Techne Corp.	539,644	39,702	* Amphastar Pharmaceuticals Inc.	130,747	6,089			
* Repligen Corp.	180,954	35,103	* Supernus Pharmaceuticals Inc.	186,948	5,552			
* Medpace Holdings Inc.	83,733	33,286	* Pacira BioSciences Inc.	157,800	4,690			
Bruker Corp.	307,009	26,569	* Ligand Pharmaceuticals Inc.	56,601	4,491			
* Bio-Rad Laboratories Inc. Class A	73,875	24,074	*.1 Tilray Brands Inc.	2,577,537	4,459			
* 10X Genomics Inc. Class A	302,199	14,095	* Collegium Pharmaceutical Inc.	111,215	4,083			
* Azenta Inc.	171,121	11,148	* ANI Pharmaceuticals Inc.	55,720	3,771			
* Fortrea Holdings Inc.	288,090	10,815						
* Sotera Health Co.	336,333	5,048						

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (0.2%)</b>		
<b>Money Market Fund (0.2%)</b>		
<sup>5,6</sup> Vanguard Market Liquidity Fund, 5.400% (Cost \$46,715)	467,302	46,726
<b>Total Investments (100.1%)</b> (Cost \$16,444,054)		20,853,202
<b>Other Assets and Liabilities—</b>		
<b>Net (-0.1%)</b>		(24,467)
<b>Net Assets (100.0%)</b>		20,828,735

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 \$42,041,000.

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 \$449,000, 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 \$46,665,000 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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Alnylam Pharmaceuticals Inc.	8/30/24	BANA	3,777	(5.326)	—	(18)
Globus Medical Inc.	8/30/24	BANA	5,399	(5.322)	—	(17)
Sarepta Therapeutics Inc.	8/30/24	BANA	8,314	(5.322)	—	(27)
					—	(62)

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 February 29, 2024, the counterparties had deposited in segregated accounts securities with a value of \$616,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$16,397,339)	20,806,476
Affiliated Issuers (Cost \$46,715)	46,726
Total Investments in Securities	20,853,202
Investment in Vanguard	630
Receivables for Investment Securities Sold	50,991
Receivables for Accrued Income	28,261
Receivables for Capital Shares Issued	2,960
<b>Total Assets</b>	<b>20,936,044</b>
<b>Liabilities</b>	
Due to Custodian	5,908
Payables for Investment Securities Purchased	51,480
Collateral for Securities on Loan	46,665
Payables for Capital Shares Redeemed	2,392
Payables to Vanguard	802
Unrealized Depreciation—Over-the-Counter Swap Contracts	62
<b>Total Liabilities</b>	<b>107,309</b>
<b>Net Assets</b>	<b>20,828,735</b>

<sup>1</sup> Includes \$42,041,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	16,563,906
Total Distributable Earnings (Loss)	4,264,829
<b>Net Assets</b>	<b>20,828,735</b>

## ETF Shares—Net Assets

Applicable to 67,277,329 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	17,875,593
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$265.70</b>

## Admiral Shares—Net Assets

Applicable to 22,219,114 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,953,142
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$132.91</b>

## Statement of Operations

	Six Months Ended February 29, 2024 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	148,597
Interest <sup>1</sup>	276
Securities Lending—Net	1,048
Total Income	149,921
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	215
Management and Administrative— ETF Shares	7,443
Management and Administrative— Admiral Shares	1,275
Marketing and Distribution— ETF Shares	325
Marketing and Distribution— Admiral Shares	62
Custodian Fees	82
Shareholders' Reports—ETF Shares	244
Shareholders' Reports—Admiral Shares	15
Trustees' Fees and Expenses	7
Other Expenses	9
Total Expenses	9,677
Expenses Paid Indirectly	(53)
Net Expenses	9,624
<b>Net Investment Income</b>	<b>140,297</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	489,279
Swap Contracts	(3,045)
<b>Realized Net Gain (Loss)</b>	<b>486,234</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	1,130,997
Swap Contracts	35
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,131,032</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,757,563</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$276,000, \$5,000, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$606,367,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024 (\$000)	Year Ended August 31, 2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	140,297	278,315
Realized Net Gain (Loss)	486,234	728,727
Change in Unrealized Appreciation (Depreciation)	1,131,032	315,166
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,757,563</b>	<b>1,322,208</b>
<b>Distributions</b>		
ETF Shares	(120,001)	(238,117)
Admiral Shares	(20,259)	(40,777)
<b>Total Distributions</b>	<b>(140,260)</b>	<b>(278,894)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(481,477)	255,391
Admiral Shares	(120,062)	(58,051)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(601,539)</b>	<b>197,340</b>
<b>Total Increase (Decrease)</b>	<b>1,015,764</b>	<b>1,240,654</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>19,812,971</b>	<b>18,572,317</b>
<b>End of Period</b>	<b>20,828,735</b>	<b>19,812,971</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$244.43</b>	<b>\$231.59</b>	<b>\$262.41</b>	<b>\$207.65</b>	<b>\$169.74</b>	<b>\$177.07</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.777	3.418	3.157	2.893	2.702	3.600 <sup>2</sup>
Net Realized and Unrealized Gain (Loss) on Investments	21.265	12.859	(30.771)	54.714	37.758	(7.457)
Total from Investment Operations	23.042	16.277	(27.614)	57.607	40.460	(3.857)
<b>Distributions</b>						
Dividends from Net Investment Income	(1.772)	(3.437)	(3.206)	(2.846)	(2.550)	(3.473)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.772)	(3.437)	(3.206)	(2.846)	(2.550)	(3.473)
<b>Net Asset Value, End of Period</b>	<b>\$265.70</b>	<b>\$244.43</b>	<b>\$231.59</b>	<b>\$262.41</b>	<b>\$207.65</b>	<b>\$169.74</b>
<b>Total Return</b>	<b>9.50%</b>	<b>7.07%</b>	<b>-10.60%</b>	<b>27.99%</b>	<b>24.05%</b>	<b>-2.22%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$17,876	\$16,976	\$15,829	\$16,894	\$11,724	\$8,899
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.46%	1.41%	1.27%	1.25%	1.45%	2.12% <sup>2</sup>
Portfolio Turnover Rate <sup>4</sup>	2%	4%	3%	5%	7%	5%

The expense ratio and net investment income ratio for the current period have been annualized.

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 and 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	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$122.27</b>	<b>\$115.84</b>	<b>\$131.26</b>	<b>\$103.87</b>	<b>\$84.91</b>	<b>\$88.57</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.889	1.711	1.583	1.450	1.351	1.804 <sup>2</sup>
Net Realized and Unrealized Gain (Loss) on Investments	10.638	6.438	(15.400)	27.365	18.884	(3.727)
Total from Investment Operations	11.527	8.149	(13.817)	28.815	20.235	(1.923)
<b>Distributions</b>						
Dividends from Net Investment Income	(.887)	(1.719)	(1.603)	(1.425)	(1.275)	(1.737)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.887)	(1.719)	(1.603)	(1.425)	(1.275)	(1.737)
<b>Net Asset Value, End of Period</b>	<b>\$132.91</b>	<b>\$122.27</b>	<b>\$115.84</b>	<b>\$131.26</b>	<b>\$103.87</b>	<b>\$84.91</b>
<b>Total Return<sup>3</sup></b>	<b>9.50%</b>	<b>7.08%</b>	<b>-10.59%</b>	<b>28.01%</b>	<b>24.06%</b>	<b>-2.21%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$2,953	\$2,837	\$2,744	\$2,972	\$1,676	\$1,316
Ratio of Total Expenses to Average Net Assets	0.10% <sup>4</sup>	0.10% <sup>4</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.46%	1.41%	1.28%	1.25%	1.45%	2.12% <sup>2</sup>
Portfolio Turnover Rate <sup>5</sup>	2%	4%	3%	5%	7%	5%

The expense ratio and net investment income ratio for the current period have been annualized.

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 and 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$630,000, representing less than 0.01% of the fund's net assets and 0.25% 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 six months ended February 29, 2024, custodian fee offset arrangements reduced the fund's expenses by \$53,000 (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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	20,805,473	449	501	20,806,423
Warrants	—	53	—	53
Temporary Cash Investments	46,726	—	—	46,726
Total	20,852,199	502	501	20,853,202
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	62	—	62

E. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	16,502,617
Gross Unrealized Appreciation	6,016,277
Gross Unrealized Depreciation	(1,665,692)
Net Unrealized Appreciation (Depreciation)	4,350,585

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$630,372,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$407,029,000 of investment securities and sold \$406,619,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$692,166,000 and \$1,293,049,000, 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 six months ended February 29, 2024, such purchases were \$942,000 and sales were \$7,502,000, resulting in net realized loss of \$1,183,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	817,689	3,278	1,883,291	7,825
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,299,166)	(5,450)	(1,627,900)	(6,725)
Net Increase (Decrease)—ETF Shares	(481,477)	(2,172)	255,391	1,100
<b>Admiral Shares</b>				
Issued	188,005	1,512	391,651	3,228
Issued in Lieu of Cash Distributions	17,140	142	34,825	293
Redeemed	(325,207)	(2,640)	(484,527)	(4,001)
Net Increase (Decrease)—Admiral Shares	(120,062)	(986)	(58,051)	(480)

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

# Industrials Index Fund

## Fund Allocation

As of February 29, 2024

Aerospace & Defense	14.9%
Air Freight & Logistics	4.1
Building Products	7.3
Commercial Services & Supplies	7.7
Construction & Engineering	2.7
Electrical Equipment	7.7
Ground Transportation	11.6
Industrial Conglomerates	7.1
Machinery	20.0
Marine Transportation	0.2
Passenger Airlines	1.8
Professional Services	9.4
Trading Companies & Distributors	5.5

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.9%)</b>			<b>Building Products (7.3%)</b>			<b>* Stericycle Inc.</b>		
<b>Aerospace &amp; Defense (14.9%)</b>			<b>Trane Technologies plc</b>			<b>99,444</b>		
* RTX Corp.	1,546,353	138,661		244,826	69,034	<b>5,409</b>		
* Boeing Co.	618,160	125,931		Carrier Global Corp.	870,280	<b>48,420</b>		
Lockheed Martin Corp.	240,086	102,814		Johnson Controls International plc	732,728	<b>4,011</b>		
Northrop Grumman Corp.	154,084	71,036	* Builders FirstSource Inc.	132,538	25,869	<b>48,120</b>		
TransDigm Group Inc.	59,508	70,085	Masco Corp.	241,234	18,517	<b>2,804</b>		
General Dynamics Corp.	249,471	68,168	Carlisle Cos. Inc.	52,309	18,308	<b>67,579</b>		
L3Harris Technologies Inc.	204,137	43,208	Lennox International Inc.	34,512	16,262	<b>16,303</b>		
Howmet Aerospace Inc.	420,441	27,980	Owens Corning	95,500	14,304	<b>2,751</b>		
* Axon Enterprise Inc.	76,481	23,508	Advanced Drainage Systems Inc.	75,338	12,298	<b>2,593</b>		
Textron Inc.	210,589	18,757	Allegion plc	94,328	12,062	<b>146,081</b>		
Huntington Ingalls Industries Inc.	42,698	12,452	Fortune Brands Innovations Inc.	135,498	11,021	<b>134,201</b>		
HEICO Corp. Class A	79,502	12,370	A O Smith Corp.	131,966	10,940	<b>2,518</b>		
BWX Technologies Inc.	98,309	9,912	* Trex Co. Inc.	116,681	10,707	<b>2,385</b>		
Curtiss-Wright Corp.	41,100	9,711	Simpson Manufacturing Co. Inc.	45,862	9,570	<b>2,240</b>		
HEICO Corp.	48,046	9,292	UFP Industries Inc.	66,370	7,608	<b>1,847</b>		
Woodward Inc.	64,522	9,129	* AZEK Co. Inc.	142,839	6,872	<b>1,820</b>		
Hexcel Corp.	90,224	6,718	AAON Inc.	74,229	6,234	<b>1,773</b>		
Moog Inc. Class A	31,343	4,700	Armstrong World Industries Inc.	47,476	5,726	<b>1,653</b>		
* AeroVironment Inc.	30,223	3,832	Zurn Elkay Water Solutions Corp.	157,810	5,010	<b>31,106</b>		
* Spirit AeroSystems Holdings Inc. Class A	124,357	3,557	CSW Industrials Inc.	16,656	3,837	<b>1,287</b>		
* Kratos Defense & Security Solutions Inc.	156,404	2,853	* Resideo Technologies Inc.	156,951	3,505	<b>1,241</b>		
* AAR Corp.	38,140	2,547	Griffon Corp.	42,046	3,002	<b>90,344</b>		
* Leonardo DRS Inc.	84,456	1,918	* Masonite International Corp.	22,295	2,904	<b>14,494</b>		
* Mercury Systems Inc.	57,505	1,718	* PGT Innovations Inc.	61,290	2,560	<b>1,074</b>		
* <sup>1</sup> Rocket Lab USA Inc.	285,181	1,307	* Gibraltar Industries Inc.	32,833	2,543	<b>1,039</b>		
Kaman Corp.	27,135	1,243	* <sup>1</sup> Hayward Holdings Inc.	160,706	2,377	<b>79,780</b>		
* Triumph Group Inc.	82,228	1,143	* Masterbrand Inc.	135,584	2,347	<b>1,018</b>		
* <sup>1</sup> Archer Aviation Inc. Class A	205,581	993	* Janus International Group Inc.	149,804	2,150	<b>971</b>		
Cadre Holdings Inc.	24,205	870	AZZ Inc.	27,005	1,966	<b>61,800</b>		
* Virgin Galactic Holdings Inc.	408,121	710	* American Woodmark Corp.	17,223	1,726	<b>69,972</b>		
* Ducommun Inc.	14,243	680	* JELD-WEN Holding Inc.	91,187	1,660	<b>965</b>		
* V2X Inc.	13,639	525	Apogee Enterprises Inc.	23,798	1,362	<b>31,568</b>		
National Presto Industries Inc.	5,631	435	Quanex Building Products Corp.	35,601	1,231	<b>914</b>		
* Aersale Corp.	31,299	277	Insteel Industries Inc.	20,826	758	<b>901</b>		
		<b>789,040</b>			<b>386,069</b>	<b>825</b>		
<b>Air Freight &amp; Logistics (4.1%)</b>			<b>Commercial Services &amp; Supplies (7.6%)</b>			<b>Construction &amp; Engineering (2.7%)</b>		
United Parcel Service Inc. Class B (XNYS)	778,091	115,360	Waste Management Inc.	433,004	89,047	<b>37,812</b>		
FedEx Corp.	255,414	63,590	* Cintas Corp.	98,124	61,682	<b>15,562</b>		
Expeditors International of Washington Inc.	156,221	18,684	* Copart Inc.	930,154	49,438	<b>12,977</b>		
CH Robinson Worldwide Inc.	125,344	9,286	Waste Connections Inc. (XTSE)	277,172	46,132	<b>11,744</b>		
* GXO Logistics Inc.	127,697	6,610	Republic Services Inc.	236,909	43,496	<b>205,920</b>		
* Hub Group Inc. Class A	66,834	2,842	Veralto Corp.	251,413	21,727	<b>9,833</b>		
Forward Air Corp.	27,537	1,022	Rollins Inc.	312,272	13,762	<b>6,886</b>		
* Air Transport Services Group Inc.	56,139	678	Tetra Tech Inc.	57,224	10,147	<b>6,734</b>		
		<b>218,072</b>	* Clean Harbors Inc.	55,239	10,059	<b>5,115</b>		
			* MSA Safety Inc.	40,139	7,392	<b>4,757</b>		
			* Casella Waste Systems Inc. Class A	61,186	5,513	<b>207,999</b>		
						<b>4,509</b>		
						<b>4,345</b>		
						<b>3,978</b>		
						<b>3,535</b>		
						<b>2,917</b>		
						<b>2,420</b>		
						<b>2,264</b>		
						<b>2,257</b>		
						<b>956</b>		
						<b>738</b>		
						<b>637</b>		
						<b>636</b>		

Industrials Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)	
* Tutor Perini Corp.	46,774	530		Werner Enterprises Inc.	64,513	2,590	Enpro Inc.	21,416	3,337
		<b>141,432</b>		Avis Budget Group Inc.	19,472	2,104	Albany International Corp. Class A	33,398	3,135
<b>Electrical Equipment (7.7%)</b>				Schneider National Inc. Class B	60,124	1,416	ESCO Technologies Inc.	27,696	2,822
Eaton Corp. plc	429,452	124,112		Marten Transport Ltd.	65,957	1,243	* Gates Industrial Corp. plc	184,283	2,713
Emerson Electric Co.	613,253	65,526		* Hertz Global Holdings Inc.	132,410	1,039	Mueller Water Products Inc. Class A	167,521	2,605
AMETEK Inc.	248,272	44,734		Heartland Express Inc.	50,937	651	Alamo Group Inc.	11,607	2,348
Rockwell Automation Inc.	123,423	35,185		* Daseke Inc.	43,897	362	Standex International Corp.	12,804	2,215
Vertiv Holdings Co. Class A	390,096	26,378		Universal Logistics Holdings Inc.	8,712	295	Tennant Co.	19,149	2,167
Hubbell Inc.	57,616	21,933		* PAM Transportation Services Inc.	7,133	132	Trinity Industries Inc.	83,543	2,120
Regal Rexnord Corp.	71,291	12,226				<b>614,650</b>	Kennametal Inc.	81,044	2,046
nVent Electric plc	178,278	12,002		<b>Industrial Conglomerates (7.1%)</b>			* Hillman Solutions Corp.	209,464	2,040
Acuity Brands Inc.	33,112	8,319		General Electric Co.	1,170,598	183,655	Enerpac Tool Group Corp.	58,108	1,959
* NEXTracker Inc. Class A	133,060	7,483		Honeywell International Inc.	709,101	140,920	Barnes Group Inc.	51,843	1,811
* Generac Holdings Inc.	66,015	7,427		3M Co.	594,692	54,783	Greenbrier Cos. Inc.	33,350	1,726
Atkore Inc.	39,926	6,763				<b>379,358</b>	Helios Technologies Inc.	35,377	1,562
Sensata Technologies Holding plc	162,719	5,601		<b>Machinery (20.0%)</b>			Lindsay Corp.	11,820	1,410
Encore Wire Corp.	16,958	4,087		Caterpillar Inc.	547,538	182,856	Wabash National Corp.	49,120	1,340
EnerSys	43,412	3,989		Deere & Co.	286,095	104,439	Columbus McKinnon Corp.	30,624	1,279
* Sunrun Inc.	233,343	2,809		Illinois Tool Works Inc.	301,473	79,031	* Blue Bird Corp.	34,535	1,169
* Shoals Technologies Group Inc. Class A	183,097	2,349		Parker-Hannifin Corp.	138,240	74,021	* Proto Labs Inc.	27,485	1,001
* Array Technologies Inc.	162,946	2,223		PACCAR Inc.	562,524	62,378	* Energy Recovery Inc.	60,895	952
*.1 Plug Power Inc.	585,817	2,068		1 Otis Worldwide Corp.	440,347	41,965	Astec Industries Inc.	23,184	941
Powell Industries Inc.	10,326	1,913		Cummins Inc.	152,578	40,984	REV Group Inc.	44,153	911
*.1 Bloom Energy Corp. Class A	216,211	1,896		1 Ingersoll Rand Inc. (XYNS)	435,975	39,818	Gorman-Rupp Co.	23,894	892
*.1 Enovix Corp.	153,258	1,494		Xylem Inc.	259,525	32,973	*.1 Nikola Corp.	1,181,581	879
* Fluence Energy Inc.	67,540	1,033		Fortive Corp.	378,258	32,201	* Titan International Inc.	57,080	728
* Thermon Group Holdings Inc.	35,987	982		Westinghouse Air Brake Technologies Corp.	192,879	27,252	*.1 Symbotic Inc.	17,988	709
* Vicor Corp.	24,656	918		Dover Corp.	150,278	24,853	Douglas Dynamics Inc.	24,607	618
*.1 ChargePoint Holdings Inc.	404,378	837		IDEX Corp.	81,538	19,235	* 3D Systems Corp.	144,868	600
* FuelCell Energy Inc.	483,219	575		Graco Inc.	181,400	16,555	* Manitowoc Co. Inc.	37,732	526
*.1 Stem Inc.	157,559	422		Lincoln Electric Holdings Inc.	61,445	15,767	Hyster-Yale Materials Handling Inc.	8,833	520
Preformed Line Products Co.	2,933	403		Snap-on Inc.	56,738	15,640	Shyft Group Inc.	35,501	366
GrafTech International Ltd.	220,126	387		Nordson Corp.	58,516	15,545	Luxfer Holdings plc	28,934	287
*.1 SunPower Corp.	93,794	292		Stanley Black & Decker Inc.	164,720	14,708	* Hylion Holdings Corp.	150,116	273
*.1 Blink Charging Co.	61,783	197		Pentair plc	177,587	13,814	*.1 Desktop Metal Inc. Class A	244,678	150
*.1 Freyr Battery Inc.	127,305	196		* CNH Industrial NV	1,075,255	12,849	*.1 Microvast Holdings Inc.	130,705	112
* SES AI Corp.	100,086	177		ITT Inc.	88,163	11,121	* Hyzon Motors Inc.	147,342	93
*.1 NuScale Power Corp.	49,543	154		Toro Co.	111,592	10,301	* Markforged Holding Corp.	123,948	83
* Net Power Inc.	14,784	121		Donaldson Co. Inc.	128,960	9,236	*.1 Velo3D Inc.	200,792	55
* Energy Vault Holdings Inc.	65,288	110		* Middleby Corp.	57,583	8,762			<b>1,061,484</b>
* TPI Composites Inc.	37,253	104		* RBC Bearings Inc.	31,257	8,528	<b>Marine Transportation (0.2%)</b>		
*.1 ESS Tech Inc.	59,220	51		Oshkosh Corp.	70,269	7,790	* Kirby Corp.	63,516	5,572
		<b>407,476</b>		AGCO Corp.	68,377	7,501	Matson Inc.	37,551	4,170
<b>Ground Transportation (11.6%)</b>				Allison Transmission Holdings Inc.	96,171	7,245	Genco Shipping & Trading Ltd.	43,520	888
Union Pacific Corp.	655,443	166,279		* Chart Industries Inc.	45,866	6,552	Eagle Bulk Shipping Inc.	7,312	448
* Uber Technologies Inc.	1,991,998	158,364		Crane Co.	51,910	6,310			<b>11,078</b>
CSX Corp.	2,125,105	80,626		Esab Corp.	61,502	6,096	<b>Passenger Airlines (1.8%)</b>		
Norfolk Southern Corp.	243,354	61,661		Watts Water Technologies Inc. Class A	29,444	6,005	Delta Air Lines Inc.	693,630	29,320
Old Dominion Freight Line Inc.	105,715	46,777		Mueller Industries Inc.	116,079	5,964	Southwest Airlines Co.	640,332	21,944
JB Hunt Transport Services Inc.	88,672	18,294		Flowserve Corp.	140,913	5,963	* United Airlines Holdings Inc.	352,358	16,029
* Saia Inc.	28,523	16,412		* SPX Technologies Inc.	49,115	5,756	* American Airlines Group Inc.	702,061	11,008
* XPO Inc.	124,607	14,993		Timken Co.	68,206	5,729	* Alaska Air Group Inc.	137,484	5,141
Knight-Swift Transportation Holdings Inc.	173,436	9,771		Federal Signal Corp.	65,557	5,370	* SkyWest Inc.	43,963	2,823
Landstar System Inc.	38,612	7,344		Franklin Electric Co. Inc.	42,222	4,389	* JetBlue Airways Corp.	359,643	2,330
U-Haul Holding Co.	104,325	6,632		Kadant Inc.	12,613	4,254	*.1 Joby Aviation Inc.	374,339	2,104
* Lyft Inc. Class A	371,698	5,903		Terex Corp.	72,446	4,155	* Allegiant Travel Co.	16,917	1,231
Ryder System Inc.	47,614	5,433		Hillenbrand Inc.	75,565	3,593	* Hawaiian Holdings Inc.	55,431	782
ArcBest Corp.	25,425	3,632		John Bean Technologies Corp.	34,290	3,480	* Spirit Airlines Inc.	117,805	760
* RXO Inc.	125,331	2,697					* Sun Country Airlines Holdings Inc.	47,210	708

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Frontier Group Holdings Inc.	47,117	327	* Huron Consulting Group Inc.	20,139	1,976	GATX Corp.	36,262	4,599
* Blade Air Mobility Inc.	52,162	166	CSG Systems International Inc.	31,892	1,740	Air Lease Corp.	113,229	4,541
* Wheels Up Experience Inc.	7	—	* Upwork Inc.	131,986	1,729	* GMS Inc.	40,635	3,629
		<b>94,673</b>	* Legalzoom.com Inc.	131,203	1,627	McGrath RentCorp.	26,404	3,287
<b>Professional Services (9.4%)</b>			* Paycor HCM Inc.	76,283	1,611	Rush Enterprises Inc. Class A	66,193	3,224
Automatic Data Processing Inc.	442,258	111,064	* NV5 Global Inc.	15,361	1,562	H&E Equipment Services Inc.	35,138	1,985
Paychex Inc.	348,559	42,740	Kforce Inc.	20,161	1,404	* DNOW Inc.	114,021	1,613
Verisk Analytics Inc.	155,992	37,735	CRA International Inc.	7,604	1,008	* BlueLinx Holdings Inc.	9,422	1,195
Equifax Inc.	132,790	36,330	Barrett Business Services Inc.	7,102	866	* MRC Global Inc.	90,280	1,041
Broadridge Financial Solutions Inc.	126,402	25,733	First Advantage Corp.	55,297	866	* Transcat Inc.	9,547	1,004
Booz Allen Hamilton Holding Corp.	140,086	20,692	Kelly Services Inc. Class A	33,808	829	Global Industrial Co.	20,679	907
Jacobs Solutions Inc.	135,714	19,903	Heidrick & Struggles International Inc.	21,503	731	* Xometry Inc. Class A	41,102	804
Leidos Holdings Inc.	140,444	17,957	* Conduent Inc.	175,986	605	* Hudson Technologies Inc.	43,780	641
TransUnion	208,124	16,157	* Sterling Check Corp. Resources	30,910	484	* Titan Machinery Inc.	21,896	552
SS&C Technologies Holdings Inc.	239,458	15,268	* Connection Inc.	34,264	474	* DXP Enterprises Inc.	15,058	535
* Ceridian HCM Holding Inc.	159,378	11,118	* Planet Labs PBC	214,882	471	* Distribution Solutions Group Inc.	12,537	394
Paycom Software Inc.	58,239	10,622	* Franklin Covey Co.	12,052	460	Alta Equipment Group Inc.	21,879	251
Robert Half Inc.	113,787	9,149	* TrueBlue Inc.	32,529	382			<b>293,494</b>
* CACI International Inc. Class A	23,933	8,971	* TTEC Holdings Inc.	20,286	354	<b>Total Common Stocks</b>		<b>5,301,128</b>
KBR Inc.	145,145	8,713	* TaskUS Inc. Class A	19,678	262	<b>(Cost \$4,480,750)</b>		
* Paylocity Holding Corp.	48,287	8,142	* Forrester Research Inc.	12,388	250	<b>Temporary Cash Investments (0.3%)</b>		
* FTI Consulting Inc.	38,144	7,891	* Hireright Holdings Corp.	10,220	145	<b>Money Market Fund (0.3%)</b>		
Science Applications International Corp.	55,938	7,829	* Skillsoft Corp.	4,628	57	<sup>2,3</sup> Vanguard Market Liquidity Fund, 5.400%		
* ExlService Holdings Inc.	177,187	5,514		<b>498,314</b>		<b>(Cost \$16,428)</b>	164,317	<b>16,430</b>
* Maximus Inc.	65,537	5,483	<b>Trading Companies &amp; Distributors (5.5%)</b>			<b>Total Investments (100.2%)</b>		<b>5,317,558</b>
* ASGN Inc.	50,713	5,037	United Rentals Inc.	72,973	50,590	<b>(Cost \$4,497,178)</b>		
* TriNet Group Inc.	35,232	4,510	WW Grainger Inc.	48,061	46,785	<b>Other Assets and Liabilities—</b>		
Exponent Inc.	54,250	4,388	Ferguson plc	219,039	46,316	<b>Net (-0.2%)</b>		<b>(10,606)</b>
Insperity Inc.	38,055	3,874	Fastenal Co.	614,622	44,874	<b>Net Assets (100.0%)</b>		<b>5,306,952</b>
ManpowerGroup Inc.	52,445	3,785	Watsco Inc.	36,387	14,341			
* Verra Mobility Corp.	169,746	3,670	* Core & Main Inc. Class A	205,933	9,829			
* CBIZ Inc.	48,116	3,634	* SiteOne Landscape Supply Inc.	48,528	8,176			
* Parsons Corp.	44,965	3,625	Applied Industrial Technologies Inc.	41,610	7,901			
Korn Ferry	56,452	3,594	WESCO International Inc.	49,358	7,379			
* Alight Inc. Class A	388,277	3,498	FTAI Aviation Ltd.	107,696	6,062			
Concentrix Corp.	46,478	3,367	Boise Cascade Co.	42,466	5,772			
ICF International Inc.	20,280	3,140	* Beacon Roofing Supply Inc.	64,660	5,554			
Dun & Bradstreet Holdings Inc.	282,968	2,983	MSC Industrial Direct Co. Inc. Class A	48,459	4,891			
* <sup>1</sup> Clarivate plc	321,053	2,305	Herc Holdings Inc.	30,390	4,822			

**Total Common Stocks**  
**(Cost \$4,480,750)** **5,301,128**

**Temporary Cash Investments (0.3%)**

**Money Market Fund (0.3%)**  
<sup>2,3</sup> Vanguard Market Liquidity Fund, 5.400%  
**(Cost \$16,428)** 164,317 **16,430**

**Total Investments (100.2%)**  
**(Cost \$4,497,178)** **5,317,558**

**Other Assets and Liabilities—**  
**Net (-0.2%)** **(10,606)**

**Net Assets (100.0%)** **5,306,952**

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 \$13,862,000.

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 \$15,260,000 was received for securities on loan, of which \$15,257,000 is held in Vanguard Market Liquidity Fund and \$3,000 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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Illinois Tool Works Inc.	1/31/25	CITNA	5,767	(5.326)	—	(24)

<sup>1</sup> 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 February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$4,480,750)	5,301,128
Affiliated Issuers (Cost \$16,428)	16,430
Total Investments in Securities	5,317,558
Investment in Vanguard	152
Cash	604
Receivables for Investment Securities Sold	17,500
Receivables for Accrued Income	9,266
Receivables for Capital Shares Issued	507
<b>Total Assets</b>	<b>5,345,587</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	23,039
Collateral for Securities on Loan	15,260
Payables for Capital Shares Redeemed	114
Payables to Vanguard	198
Unrealized Depreciation—Over-the-Counter Swap Contracts	24
<b>Total Liabilities</b>	<b>38,635</b>
<b>Net Assets</b>	<b>5,306,952</b>

<sup>1</sup> Includes \$13,862,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	4,627,321
Total Distributable Earnings (Loss)	679,631
<b>Net Assets</b>	<b>5,306,952</b>

### ETF Shares—Net Assets

Applicable to 21,376,428 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,995,344
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$233.68</b>

### Admiral Shares—Net Assets

Applicable to 2,595,526 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	311,608
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$120.06</b>

## Statement of Operations

	Six Months Ended February 29, 2024 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	36,953
Interest <sup>2</sup>	69
Securities Lending—Net	283
<b>Total Income</b>	<b>37,305</b>
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	51
Management and Administrative— ETF Shares	1,866
Management and Administrative— Admiral Shares	120
Marketing and Distribution— ETF Shares	94
Marketing and Distribution— Admiral Shares	7
Custodian Fees	18
Shareholders' Reports—ETF Shares	96
Shareholders' Reports—Admiral Shares	3
Trustees' Fees and Expenses	2
Other Expenses	9
<b>Total Expenses</b>	<b>2,266</b>
Expenses Paid Indirectly	(2)
<b>Net Expenses</b>	<b>2,264</b>
<b>Net Investment Income</b>	<b>35,041</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2,3</sup>	111,009
Swap Contracts	240
<b>Realized Net Gain (Loss)</b>	<b>111,249</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	419,721
Swap Contracts	3
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>419,724</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>566,014</b>

1 Dividends are net of foreign withholding taxes of \$23,000.

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 \$70,000, (\$1,000), less than \$1,000, and less than \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$123,373,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024 (\$000)	Year Ended August 31, 2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	35,041	60,313
Realized Net Gain (Loss)	111,249	32,065
Change in Unrealized Appreciation (Depreciation)	419,724	626,314
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>566,014</b>	<b>718,692</b>
<b>Distributions</b>		
ETF Shares	(34,898)	(57,205)
Admiral Shares	(2,219)	(3,409)
<b>Total Distributions</b>	<b>(37,117)</b>	<b>(60,614)</b>
<b>Capital Share Transactions</b>		
ETF Shares	7,458	411,493
Admiral Shares	6,163	8,914
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>13,621</b>	<b>420,407</b>
<b>Total Increase (Decrease)</b>	<b>542,518</b>	<b>1,078,485</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>4,764,434</b>	<b>3,685,949</b>
<b>End of Period</b>	<b>5,306,952</b>	<b>4,764,434</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$207.59</b>	<b>\$175.75</b>	<b>\$199.27</b>	<b>\$146.89</b>	<b>\$142.53</b>	<b>\$146.12</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.600	2.829	2.432	2.264	2.366	2.597
Net Realized and Unrealized Gain (Loss) on Investments	26.180	31.869	(23.486)	52.318	4.554	(3.754)
Total from Investment Operations	27.780	34.698	(21.054)	54.582	6.920	(1.157)
<b>Distributions</b>						
Dividends from Net Investment Income	(1.690)	(2.858)	(2.466)	(2.202)	(2.560)	(2.433)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.690)	(2.858)	(2.466)	(2.202)	(2.560)	(2.433)
<b>Net Asset Value, End of Period</b>	<b>\$233.68</b>	<b>\$207.59</b>	<b>\$175.75</b>	<b>\$199.27</b>	<b>\$146.89</b>	<b>\$142.53</b>
<b>Total Return</b>	<b>13.48%</b>	<b>19.99%</b>	<b>-10.62%</b>	<b>37.41%</b>	<b>4.96%</b>	<b>-0.73%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,995	\$4,493	\$3,461	\$5,438	\$3,090	\$3,457
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.44%	1.50%	1.29%	1.25%	1.69%	1.87%
Portfolio Turnover Rate <sup>3</sup>	3%	10%	4%	5%	4%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended	Year Ended August 31,				
	February 29, 2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$106.65</b>	<b>\$90.29</b>	<b>\$102.37</b>	<b>\$75.46</b>	<b>\$73.22</b>	<b>\$75.07</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.829	1.451	1.240	1.162	1.221	1.340
Net Realized and Unrealized Gain (Loss) on Investments	13.449	16.376	(12.056)	26.880	2.336	(1.941)
Total from Investment Operations	14.278	17.827	(10.816)	28.042	3.557	(.601)
<b>Distributions</b>						
Dividends from Net Investment Income	(.868)	(1.467)	(1.264)	(1.132)	(1.317)	(1.249)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.868)	(1.467)	(1.264)	(1.132)	(1.317)	(1.249)
<b>Net Asset Value, End of Period</b>	<b>\$120.06</b>	<b>\$106.65</b>	<b>\$90.29</b>	<b>\$102.37</b>	<b>\$75.46</b>	<b>\$73.22</b>
<b>Total Return<sup>2</sup></b>	<b>13.49%</b>	<b>19.99%</b>	<b>-10.62%</b>	<b>37.43%</b>	<b>4.98%</b>	<b>-0.75%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$312	\$271	\$225	\$372	\$210	\$202
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.46%	1.49%	1.27%	1.25%	1.71%	1.87%
Portfolio Turnover Rate <sup>4</sup>	3%	10%	4%	5%	4%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$152,000, 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 six months ended February 29, 2024, 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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	5,301,128	—	—	5,301,128
Temporary Cash Investments	16,430	—	—	16,430
Total	5,317,558	—	—	5,317,558
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	24	—	24

E. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	4,507,871
Gross Unrealized Appreciation	1,160,598
Gross Unrealized Depreciation	(350,911)
Net Unrealized Appreciation (Depreciation)	809,687

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$253,248,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$122,722,000 of investment securities and sold \$116,898,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$500,801,000 and \$494,913,000, 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 six months ended February 29, 2024, such purchases were \$6,105,000 and sales were \$4,388,000, resulting in net realized loss of \$1,071,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	502,423	2,332	930,187	4,752
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(494,965)	(2,600)	(518,694)	(2,800)
Net Increase (Decrease)—ETF Shares	7,458	(268)	411,493	1,952
<b>Admiral Shares</b>				
Issued	51,336	476	91,744	925
Issued in Lieu of Cash Distributions	1,921	18	2,908	31
Redeemed	(47,094)	(442)	(85,738)	(905)
Net Increase (Decrease)—Admiral Shares	6,163	52	8,914	51

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.



# Information Technology Index Fund

## Fund Allocation

As of February 29, 2024

Communications Equipment	3.2%
Electronic Equipment, Instruments & Components	4.3
IT Services	5.8
Semiconductors & Semiconductor Equipment	29.8
Software	38.7
Technology Hardware, Storage & Peripherals	18.2

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.



Information Technology Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Wolfspeed Inc.	1,564,926	40,719	* Manhattan Associates Inc.	433,670	109,862	* NCR Voyix Corp.	2,286,615	33,407
* Diodes Inc.	598,830	40,708	* Elastic NV	736,210	98,512	* Agilysys Inc.	425,495	33,103
* SolarEdge Technologies Inc.	588,616	39,537	* Dynatrace Inc.	1,958,554	97,046	* Sprinklr Inc. Class A	2,525,936	32,913
* Credo Technology Group Holding Ltd.	1,798,177	38,733	* Gen Digital Inc. (XNGS)	4,255,231	91,445	* Aurora Innovation Inc.	12,927,982	32,837
* Photronics Inc.	1,331,386	38,331	* DocuSign Inc.	1,598,034	85,127	*.1 SoundHound AI Inc. Class A	4,345,173	32,241
* Veeco Instruments Inc.	1,045,142	37,845	* Bentley Systems Inc. Class B	1,609,186	82,664	* nCino Inc.	1,073,906	32,045
* Allegro Microsystems Inc.	1,180,495	37,174	* AppLovin Corp. Class A	1,330,904	79,482	* Clearwater Analytics Holdings Inc. Class A	1,859,715	32,024
* Kulicke & Soffa Industries Inc.	775,588	36,933	*.1 Marathon Digital Holdings Inc.	3,031,578	78,518	* Clear Secure Inc. Class A	1,648,677	31,737
* Ambarella Inc.	652,639	36,450	* UiPath Inc. Class A	3,276,419	77,815	* Informatica Inc. Class A	964,473	31,423
* Cohu Inc.	988,547	31,762	* Guidewire Software Inc.	641,721	76,583	* PROS Holdings Inc.	853,312	30,506
* MaxLinear Inc.	1,633,061	31,747	* SentinelOne Inc. Class A	2,492,864	70,224	* Appian Corp. Class A	774,381	26,987
* ACM Research Inc. Class A	971,413	30,036	* Procore Technologies Inc.	835,790	65,217	* Intapp Inc.	684,278	26,844
* Semtech Corp.	1,403,575	29,756	* Gitlab Inc. Class A	885,105	63,834	* Adeia Inc.	2,339,187	26,526
* Sitime Corp.	320,685	29,663	* SPS Commerce Inc.	326,508	60,456	* PowerSchool Holdings Inc. Class A	1,254,671	26,210
* Ichor Holdings Ltd.	641,533	27,458	* Unity Software Inc.	2,046,693	60,009	* Everbridge Inc.	896,461	25,343
* SMART Global Holdings Inc.	1,131,650	24,070	* Qualys Inc.	345,491	59,376	* Alkami Technology Inc.	936,600	23,368
* PDF Solutions Inc.	668,199	22,712	* Samsara Inc. Class A	1,692,289	58,469	* Zuora Inc. Class A	2,799,673	22,621
*.1 indie Semiconductor Inc. Class A	2,993,523	18,530	* Confluent Inc. Class A	1,725,290	58,436	* Model N Inc.	858,153	21,076
* Navitas Semiconductor Corp.	2,728,177	16,751	* Varonis Systems Inc.	1,147,726	58,304	* A10 Networks Inc.	1,535,959	20,444
* CEVA Inc.	512,936	11,613	* Bill Holdings Inc.	897,428	56,834	* Jamf Holding Corp.	1,098,361	19,759
* Alpha & Omega Semiconductor Ltd.	515,694	11,294	* Dropbox Inc. Class A	2,346,059	56,188	* AvePoint Inc.	2,404,874	19,239
* Aehr Test Systems	599,333	9,751	* Aspen Technology Inc.	285,944	55,442	* N-Able Inc.	1,396,636	18,813
* Magnachip Semiconductor Corp.	845,714	4,821	* Tenable Holdings Inc.	1,146,385	55,210	* Amplitude Inc. Class A	1,461,247	17,330
		<b>22,615,703</b>	* JFrog Ltd.	1,221,191	54,697	* E2open Parent Holdings Inc.	3,673,818	15,540
<b>Software (38.6%)</b>			* Smartsheet Inc. Class A	1,247,830	52,671	* Yext Inc.	2,301,525	13,625
* Microsoft Corp.	33,556,940	13,880,493	* Appfolio Inc. Class A	210,465	50,951	* Cerence Inc.	900,184	13,413
* Salesforce Inc.	5,409,986	1,670,712	* CommVault Systems Inc.	530,430	50,767	* Olo Inc. Class A	2,265,529	13,185
* Adobe Inc.	2,521,915	1,412,979	* Dolby Laboratories Inc. Class A	625,540	50,669	* SolarWinds Corp.	1,086,332	12,971
* Intuit Inc.	1,568,882	1,039,996	*.1 C3.ai Inc. Class A	1,363,894	50,423	* Matterport Inc.	5,671,106	12,023
* Oracle Corp.	9,214,738	1,029,102	* Altair Engineering Inc. Class A	585,542	49,818	* Mitek Systems Inc.	1,009,452	11,720
* ServiceNow Inc.	1,149,784	886,874	* Alarm.com Holdings Inc.	624,866	47,296	*.1 Digimarc Corp.	311,007	10,904
* Palo Alto Networks Inc.	1,635,450	507,889	* ACI Worldwide Inc.	1,404,869	46,234	* Xperi Inc.	948,493	10,395
* Synopsys Inc.	872,303	500,466	* Workiva Inc.	512,654	44,150	* SEMrush Holdings Inc. Class A	784,209	9,787
* Cadence Design Systems Inc.	1,566,363	476,770	* Teradata Corp.	1,166,941	43,900	* Weave Communications Inc.	758,630	9,506
* CrowdStrike Holdings Inc. Class A	1,338,279	433,803	* Box Inc. Class A	1,692,367	43,646	* MeridianLink Inc.	427,878	8,113
* Workday Inc. Class A	1,221,387	359,894	* Rapid7 Inc.	743,809	43,572	* Domo Inc. Class B	691,477	7,959
* Roper Technologies Inc.	626,343	341,188	* Five9 Inc.	702,648	42,862	* American Software Inc. Class A	704,926	7,909
* Autodesk Inc.	1,265,500	326,714	*.1 Riot Platforms Inc.	2,986,801	42,174	* OneSpan Inc.	696,184	6,690
* Fortinet Inc.	4,060,406	280,615	* Q2 Holdings Inc.	911,787	42,152	* Enfusion Inc. Class A	770,903	6,684
* Palantir Technologies Inc. Class A	11,133,687	279,233	* Alteryx Inc. Class A	875,908	42,079	* Digital Turbine Inc.	2,095,124	6,642
* Datadog Inc. Class A	1,673,371	219,981	* HashiCorp Inc. Class A	1,613,541	42,065	*.1 Terawulf Inc.	3,420,439	6,413
* Atlassian Corp. Ltd. Class A	962,949	199,735	* DoubleVerify Holdings Inc.	1,353,079	41,797	* Consensus Cloud Solutions Inc.	397,134	6,322
* Fair Isaac Corp.	156,244	198,416	* Freshworks Inc. Class A	2,032,756	41,550	* 8x8 Inc.	2,220,586	6,284
* HubSpot Inc.	304,781	188,602	* Pegasystems Inc.	635,811	41,353	* Telos Corp.	1,139,385	4,182
* ANSYS Inc.	545,896	182,422	* Sprout Social Inc. Class A	653,498	40,399	* CS Disco Inc.	621,979	4,142
* Splunk Inc.	1,026,006	160,283	* Blackbaud Inc.	577,461	39,949	* ON24 Inc.	587,719	4,126
* Zscaler Inc.	594,408	143,829	* Braze Inc. Class A	701,632	39,923	*.1 Cipher Mining Inc.	1,390,054	4,115
* PTC Inc.	784,768	143,620	* RingCentral Inc. Class A	1,184,382	39,582	* Rimini Street Inc.	1,133,601	3,662
* Tyler Technologies Inc.	283,555	123,953	* Blackline Inc.	693,720	39,355	* NextNav Inc.	842,532	3,606
* Zoom Video Communications Inc. Class A	1,718,822	121,572	* Cleanspark Inc.	2,337,942	39,090	* Expensify Inc. Class A	981,450	2,041
* Nutanix Inc. Class A	1,870,542	118,143	* InterDigital Inc.	361,657	38,705	* LivePerson Inc.	1,499,901	1,905
*.1 MicroStrategy Inc. Class A	114,728	117,348	* Vertex Inc. Class A	1,125,839	37,806	*.1 Veritone Inc.	816,665	1,870
			* PagerDuty Inc.	1,468,187	35,471	* SecureWorks Corp. Class A	241,168	1,592
			* Progress Software Corp.	659,269	35,179			<b>29,365,325</b>
			* LiveRamp Holdings Inc.	1,005,539	35,174	<b>Technology Hardware, Storage &amp; Peripherals (18.2%)</b>		
			* Envestnet Inc.	678,636	34,970	* Apple Inc.	69,130,925	12,495,415
			* Verint Systems Inc.	1,080,153	34,144	* Super Micro Computer Inc.	330,738	286,459
			* Asana Inc. Class A	1,699,518	33,480	* HP Inc.	5,966,579	169,033
			* Zeta Global Holdings Corp. Class A	3,187,142	33,465			

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Dell Technologies Inc. Class C	1,691,815	160,147	<b>Temporary Cash Investments (0.3%)</b>		
* Western Digital Corp.	2,225,139	132,329	<b>Money Market Fund (0.3%)</b>		
Hewlett Packard Enterprise Co.	8,679,596	132,190	2,3 Vanguard Market Liquidity Fund, 5.400% (Cost \$247,001)		
Seagate Technology Holdings plc	1,358,091	126,370	2,470,564	247,032	
NetApp Inc.	1,416,608	126,248	<b>Total Investments (100.2%) (Cost \$54,606,429)</b>		
* Pure Storage Inc. Class A	2,198,608	115,757	<b>Other Assets and Liabilities—</b>		
Xerox Holdings Corp.	2,150,034	40,098	<b>Net (-0.2%) (120,189)</b>		
*.1 IonQ Inc.	3,138,523	32,515	<b>Net Assets (100.0%) 76,019,639</b>		
* Corsair Gaming Inc.	1,011,904	13,104	Cost is in \$000.		
* CPI Card Group Inc.	99,129	1,874	• See Note A in Notes to Financial Statements.		
		<b>13,831,539</b>	* Non-income-producing security.		
<b>Total Common Stocks (Cost \$54,359,428)</b>		<b>75,892,796</b>	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$181,532,000.		

- 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 \$182,518,000 was received for securities on loan, of which \$182,468,000 is held in Vanguard Market Liquidity Fund and \$50,000 is held in cash.

**Derivative Financial Instruments Outstanding as of Period End**

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
(\$000)				
Long Futures Contracts				
E-mini NASDAQ 100 Index	March 2024	280	101,263	1,089

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Palo Alto Networks Inc.	8/30/24	BANA	46,583	(5.326)	—	(218)

<sup>1</sup> 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 February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$54,359,428)	75,892,796
Affiliated Issuers (Cost \$247,001)	247,032
Total Investments in Securities	76,139,828
Investment in Vanguard	2,262
Cash	30,878
Cash Collateral Pledged—Futures Contracts	3,584
Cash Collateral Pledged—Over-the-Counter Swap Contracts	3,770
Receivables for Investment Securities Sold	3,081,853
Receivables for Accrued Income	55,861
Receivables for Capital Shares Issued	13,303
Variation Margin Receivable—Futures Contracts	704
<b>Total Assets</b>	<b>79,332,043</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	3,097,752
Collateral for Securities on Loan	182,518
Payables for Capital Shares Redeemed	29,024
Payables to Vanguard	2,892
Unrealized Depreciation—Over-the-Counter Swap Contracts	218
<b>Total Liabilities</b>	<b>3,312,404</b>
<b>Net Assets</b>	<b>76,019,639</b>

<sup>1</sup> Includes \$181,532,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	51,468,021
Total Distributable Earnings (Loss)	24,551,618
<b>Net Assets</b>	<b>76,019,639</b>
<b>ETF Shares—Net Assets</b>	
Applicable to 124,878,298 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	64,726,501
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$518.32</b>
<b>Admiral Shares—Net Assets</b>	
Applicable to 42,551,804 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	11,293,138
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$265.40</b>

## Statement of Operations

	Six Months Ended February 29, 2024
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	248,246
Interest <sup>2</sup>	2,888
Securities Lending—Net	2,977
Total Income	254,111
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	736
Management and Administrative— ETF Shares	25,310
Management and Administrative— Admiral Shares	4,339
Marketing and Distribution— ETF Shares	1,398
Marketing and Distribution— Admiral Shares	251
Custodian Fees	121
Shareholders' Reports—ETF Shares	502
Shareholders' Reports—Admiral Shares	26
Trustees' Fees and Expenses	25
Other Expenses	9
Total Expenses	32,717
Expenses Paid Indirectly	(42)
Net Expenses	32,675
<b>Net Investment Income</b>	<b>221,436</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2,3</sup>	5,344,833
Futures Contracts	8,622
Swap Contracts	9,199
<b>Realized Net Gain (Loss)</b>	<b>5,362,654</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	5,220,838
Futures Contracts	(813)
Swap Contracts	(218)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>5,219,807</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>10,803,897</b>

1 Dividends are net of foreign withholding taxes of \$450,000.

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 \$2,778,000, \$18,000, \$1,000, and (\$13,000), respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$5,701,290,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024	Year Ended August 31, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	221,436	431,970
Realized Net Gain (Loss)	5,362,654	7,734,242
Change in Unrealized Appreciation (Depreciation)	5,219,807	5,504,560
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>10,803,897</b>	<b>13,670,772</b>
<b>Distributions</b>		
ETF Shares	(203,307)	(377,208)
Admiral Shares	(33,965)	(55,088)
<b>Total Distributions</b>	<b>(237,272)</b>	<b>(432,296)</b>
<b>Capital Share Transactions</b>		
ETF Shares	2,050,296	(1,393,287)
Admiral Shares	966,784	1,038,391
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>3,017,080</b>	<b>(354,896)</b>
<b>Total Increase (Decrease)</b>	<b>13,583,705</b>	<b>12,883,580</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>62,435,934</b>	<b>49,552,354</b>
<b>End of Period</b>	<b>76,019,639</b>	<b>62,435,934</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$444.81</b>	<b>\$349.23</b>	<b>\$426.48</b>	<b>\$328.54</b>	<b>\$213.66</b>	<b>\$202.82</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.553	3.090	3.003	2.634	2.926	2.572
Net Realized and Unrealized Gain (Loss) on Investments	73.633	95.573	(77.272)	97.919	114.955	10.792
Total from Investment Operations	75.186	98.663	(74.269)	100.553	117.881	13.364
<b>Distributions</b>						
Dividends from Net Investment Income	(1.676)	(3.083)	(2.981)	(2.613)	(3.001)	(2.524)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.676)	(3.083)	(2.981)	(2.613)	(3.001)	(2.524)
<b>Net Asset Value, End of Period</b>	<b>\$518.32</b>	<b>\$444.81</b>	<b>\$349.23</b>	<b>\$426.48</b>	<b>\$328.54</b>	<b>\$213.66</b>
<b>Total Return</b>	<b>16.97%</b>	<b>28.47%</b>	<b>-17.50%</b>	<b>30.80%</b>	<b>55.72%</b>	<b>6.70%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$64,727	\$53,653	\$43,558	\$51,238	\$38,711	\$20,738
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.68%	0.83%	0.76%	0.73%	1.17%	1.32%
Portfolio Turnover Rate <sup>3</sup>	8%	15%	6%	4%	5%	5%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$227.76</b>	<b>\$178.82</b>	<b>\$218.38</b>	<b>\$168.23</b>	<b>\$109.40</b>	<b>\$103.86</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.797	1.591	1.538	1.353	1.504	1.326
Net Realized and Unrealized Gain (Loss) on Investments	37.702	48.931	(39.572)	50.136	58.864	5.509
Total from Investment Operations	38.499	50.522	(38.034)	51.489	60.368	6.835
<b>Distributions</b>						
Dividends from Net Investment Income	(.859)	(1.582)	(1.526)	(1.339)	(1.538)	(1.295)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.859)	(1.582)	(1.526)	(1.339)	(1.538)	(1.295)
<b>Net Asset Value, End of Period</b>	<b>\$265.40</b>	<b>\$227.76</b>	<b>\$178.82</b>	<b>\$218.38</b>	<b>\$168.23</b>	<b>\$109.40</b>
<b>Total Return<sup>2</sup></b>	<b>16.97%</b>	<b>28.47%</b>	<b>-17.50%</b>	<b>30.81%</b>	<b>55.78%</b>	<b>6.70%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$11,293	\$8,783	\$5,994	\$7,301	\$5,149	\$2,470
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.68%	0.83%	0.75%	0.73%	1.17%	1.32%
Portfolio Turnover Rate <sup>4</sup>	8%	15%	6%	4%	5%	5%

The expense ratio and net investment income ratio for the current period have been annualized.

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 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.

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 six months ended February 29, 2024, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. 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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$2,262,000, representing less than 0.01% of the fund's net assets and 0.90% 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 six months ended February 29, 2024, custodian fee offset arrangements reduced the fund's expenses by \$42,000 (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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	75,892,796	—	—	75,892,796
Temporary Cash Investments	247,032	—	—	247,032
Total	76,139,828	—	—	76,139,828
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Futures Contracts <sup>1</sup>	1,089	—	—	1,089
<b>Liabilities</b>				
Swap Contracts	—	218	—	218

<sup>1</sup> 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. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	54,729,981
Gross Unrealized Appreciation	22,625,313
Gross Unrealized Depreciation	(1,214,377)
Net Unrealized Appreciation (Depreciation)	21,410,936

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$2,279,389,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$6,234,835,000 of investment securities and sold \$5,279,988,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$10,581,743,000 and \$8,532,791,000, 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 six months ended February 29, 2024, such purchases were \$2,378,000 and sales were \$128,590,000, resulting in net realized gain of \$921,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	10,638,677 <sup>1</sup>	21,784 <sup>1</sup>	16,506,313	41,443
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(8,588,381) <sup>1</sup>	(17,525) <sup>1</sup>	(17,899,600)	(45,550)
Net Increase (Decrease)—ETF Shares	2,050,296	4,259	(1,393,287)	(4,107)

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Admiral Shares</b>				
Issued	1,817,041	7,545	2,150,542	10,897
Issued in Lieu of Cash Distributions	30,963	137	50,075	271
Redeemed	(881,220)	(3,693)	(1,162,226)	(6,126)
Net Increase (Decrease)—Admiral Shares	966,784	3,989	1,038,391	5,042

<sup>1</sup> Includes unsettled in-kind transactions as of February 29, 2024 for 9,600,000 issued shares and 9,925,000 redeemed shares valued at \$4,944,890,000 and \$5,122,229,000, respectively, which settled shortly afterwards.

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

# Materials Index Fund

## Fund Allocation

As of February 29, 2024

Chemicals	61.3%
Construction Materials	7.1
Containers & Packaging	11.4
Metals & Mining	19.6
Paper & Forest Products	0.6

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

			Shares	Market Value* (\$000)	Shares	Market Value* (\$000)	Shares	Market Value* (\$000)
<b>Common Stocks (99.7%)</b>								
<b>Chemicals (61.1%)</b>								
Linde plc	1,536,381	689,558						
Sherwin-Williams Co.	770,494	255,827						
Ecolab Inc.	813,137	182,826						
Air Products and Chemicals Inc.	704,139	164,797						
Dow Inc.	2,222,337	124,184						
Corteva Inc.	2,232,938	119,507						
PPG Industries Inc.	747,154	105,797						
DuPont de Nemours Inc.	1,362,417	94,266						
LyondellBasell Industries NV Class A	822,177	82,448						
International Flavors & Fragrances Inc.	808,855	61,069						
Celanese Corp.	327,682	49,798						
CF Industries Holdings Inc.	605,368	48,865						
RPM International Inc.	408,356	47,104						
Albemarle Corp.	324,845	44,780						
Eastman Chemical Co.	375,669	32,961						
Mosaic Co.	1,035,554	32,268						
* Axalta Coating Systems Ltd.	697,110	22,816						
FMC Corp.	395,299	22,291						
Olin Corp.	388,351	20,893						
* Arcadium Lithium plc	3,403,186	18,683						
Element Solutions Inc.	727,084	17,086						
Westlake Corp.	121,818	16,897						
Balchem Corp.	102,170	16,060						
Cabot Corp.	175,268	14,889						
NewMarket Corp.	22,790	14,624						
Ashland Inc.	152,883	14,316						
HB Fuller Co.	171,191	13,615						
Huntsman Corp.	524,560	13,429						
Avient Corp.	288,857	11,693						
Innospec Inc.	78,801	9,793						
Chemours Co.	470,364	9,252						
Scotts Miracle-Gro Co.	134,701	8,850						
Quaker Chemical Corp.	39,895	7,999						
Sensient Technologies Corp.	113,749	7,608						
Minerals Technologies Inc.	103,126	7,462						
Stepan Co.	70,871	6,322						
Tronox Holdings plc	372,630	5,478						
*.1 Ginkgo Bioworks Holdings Inc.	3,335,893	5,071						
* Ingevity Corp.	108,647	4,963						
Hawkins Inc.	63,010	4,426						
Orion SA	183,838	4,144						
Koppers Holdings Inc.	66,274	3,752						
* Aspen Aerogels Inc.	193,527	3,325						
* Ecovyst Inc.	329,040	3,175						
Mativ Holdings Inc.	172,580	2,998						
* Perimeter Solutions SA	456,614	2,776						
AdvanSix Inc.	85,347	2,388						
*.1 PureCycle Technologies Inc.	336,437	1,948						
* LSB Industries Inc.	152,518	1,122						
American Vanguard Corp.	88,010	943						
Kronos Worldwide Inc.	73,360	667						
* Intrepid Potash Inc.	31,229	658						
*.1 Danimer Scientific Inc.	306,727	411						
Trinseo plc	86,711	390						
*.1 Origin Materials Inc.	366,649	218						
						2,459,486		
<b>Construction Materials (7.0%)</b>								
Martin Marietta Materials Inc.	195,846	113,142						
Vulcan Materials Co.	421,030	111,931						
Eagle Materials Inc.	110,555	28,031						
* Summit Materials Inc. Class A	378,669	16,173						
* Knife River Corp.	170,299	12,617						
United States Lime & Minerals Inc.	7,196	1,835						
								283,729
<b>Containers &amp; Packaging (11.4%)</b>								
Ball Corp.	999,058	63,960						
Avery Dennison Corp.	255,181	55,254						
Packaging Corp. of America	283,987	51,456						
Amcor plc	4,579,495	41,490						
International Paper Co.	1,041,508	36,828						
Westrock Co.	812,764	36,810						
Crown Holdings Inc.	382,287	29,291						
AptarGroup Inc.	208,447	29,278						
Graphic Packaging Holding Co.	969,133	25,149						
Berry Global Group Inc.	367,317	21,381						
Sonoco Products Co.	310,376	17,592						
Sealed Air Corp.	457,666	15,959						
Silgan Holdings Inc.	269,944	11,853						
* O-I Glass Inc.	489,452	8,282						
Greif Inc. Class A	80,861	5,212						
TriMas Corp.	130,747	3,073						
Pactiv Evergreen Inc.	141,587	2,088						
Myers Industries Inc.	99,976	1,923						
* Ranpak Holdings Corp.	138,729	659						
								457,538
<b>Metals &amp; Mining (19.6%)</b>								
Freeport-McMoRan Inc.	4,543,614	171,794						
Nucor Corp.	778,928	149,788						
Newmont Corp. (XNYS)	3,651,636	114,114						
Steel Dynamics Inc.	487,059	65,178						
Reliance Steel & Aluminum Co.	182,091	58,491						
* Cleveland-Cliffs Inc.	1,599,653	33,273						
United States Steel Corp.	495,003	23,433						
Royal Gold Inc.	208,134	21,361						
Commercial Metals Co.	368,384	19,893						
* ATI Inc.	404,238	19,880						
Alcoa Corp.	565,503	15,387						
Alpha Metallurgical Resources Inc.	35,746	13,485						
Carpenter Technology Corp.	156,236	10,101						
Warrior Met Coal Inc.	164,825	9,390						
Arch Resources Inc.	55,296	9,140						
Materion Corp.	65,404	8,785						
* MP Materials Corp.	451,807	6,872						
Hecla Mining Co.	1,864,211	6,599						
Kaiser Aluminum Corp.	50,931	3,694						
* Worthington Steel Inc.	103,884	3,289						
* Coeur Mining Inc.	1,212,446	3,140						
Ryerson Holding Corp.	97,204	3,070						
SunCoke Energy Inc.	266,897	2,859						
* TimkenSteel Corp.	122,658	2,668						
Compass Minerals International Inc.	110,997	2,531						
Haynes International Inc.	40,219	2,390						
* Century Aluminum Co.	175,409	1,837						
*.1 Ivanhoe Electric Inc.	227,724	1,685						
Radius Recycling Inc.	83,206	1,644						
Ramaco Resources Inc. Class A	83,463	1,467						
* Piedmont Lithium Inc.	57,687	840						
* 5e Advanced Materials Inc.	97,959	177						
								788,255
<b>Paper &amp; Forest Products (0.6%)</b>								
Louisiana-Pacific Corp.	205,677	15,214						
Sylvamo Corp.	118,386	7,152						
* Clearwater Paper Corp.	52,748	2,072						
Mercer International Inc.	125,593	1,153						
								25,591
<b>Total Common Stocks (Cost \$3,748,877)</b>						<b>4,014,599</b>		
<b>Temporary Cash Investments (0.4%)</b>								
<b>Money Market Fund (0.4%)</b>								
2,3 Vanguard Market Liquidity Fund, 5.400%								
<b>(Cost \$17,461)</b>						174,635		17,462
<b>Total Investments (100.1%) (Cost \$3,766,338)</b>						<b>4,032,061</b>		
<b>Other Assets and Liabilities—Net (-0.1%)</b>						<b>(3,293)</b>		
<b>Net Assets (100.0%)</b>						<b>4,028,768</b>		

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$6,472,000.

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 \$7,958,000 was received for securities on loan.

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**Derivative Financial Instruments Outstanding as of Period End**


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## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Albemarle Corp.	1/31/25	CITNA	6,479	(5.326)	—	(23)
United States Steel Corp.	8/30/24	BANA	10,036	(5.326)	—	(32)
					—	(55)

<sup>1</sup> 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 February 29, 2024, the counterparties had deposited in segregated accounts securities with a value of \$382,000 and cash of \$260,000 in connection with open over-the-counter swap contracts.



# Statement of Assets and Liabilities

As of February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$3,748,877)	4,014,599
Affiliated Issuers (Cost \$17,461)	17,462
Total Investments in Securities	4,032,061
Investment in Vanguard	120
Receivables for Investment Securities Sold	14,875
Receivables for Accrued Income	6,198
Receivables for Capital Shares Issued	435
<b>Total Assets</b>	<b>4,053,689</b>
<b>Liabilities</b>	
Due to Custodian	21
Payables for Investment Securities Purchased	13,968
Collateral for Securities on Loan	7,958
Payables for Capital Shares Redeemed	2,767
Payables to Vanguard	152
Unrealized Depreciation—Over-the-Counter Swap Contracts	55
<b>Total Liabilities</b>	<b>24,921</b>
<b>Net Assets</b>	<b>4,028,768</b>

<sup>1</sup> Includes \$6,472,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	3,842,412
Total Distributable Earnings (Loss)	186,356
<b>Net Assets</b>	<b>4,028,768</b>

## ETF Shares—Net Assets

Applicable to 14,925,712 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,882,104
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$193.10</b>

## Admiral Shares—Net Assets

Applicable to 11,655,292 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,146,664
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$98.38</b>

## Statement of Operations

	Six Months Ended February 29, 2024
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	35,071
Interest <sup>2</sup>	297
Securities Lending—Net	76
Total Income	35,444
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	41
Management and Administrative— ETF Shares	1,161
Management and Administrative— Admiral Shares	482
Marketing and Distribution— ETF Shares	57
Marketing and Distribution— Admiral Shares	29
Custodian Fees	10
Shareholders' Reports—ETF Shares	89
Shareholders' Reports—Admiral Shares	4
Trustees' Fees and Expenses	1
Other Expenses	9
Total Expenses	1,883
Expenses Paid Indirectly	(3)
Net Expenses	1,880
<b>Net Investment Income</b>	<b>33,564</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2,3</sup>	90,540
Swap Contracts	255
<b>Realized Net Gain (Loss)</b>	<b>90,795</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	93,391
Swap Contracts	(13)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>93,378</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>217,737</b>

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 \$297,000, (\$1,000), less than \$1,000, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$110,656,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024	Year Ended August 31, 2023
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	33,564	72,647
Realized Net Gain (Loss)	90,795	99,739
Change in Unrealized Appreciation (Depreciation)	93,378	247,690
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>217,737</b>	<b>420,076</b>
<b>Distributions</b>		
ETF Shares	(27,007)	(53,383)
Admiral Shares	(10,347)	(19,101)
<b>Total Distributions</b>	<b>(37,354)</b>	<b>(72,484)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(304,521)	(71,615)
Admiral Shares	17,793	(24,601)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(286,728)</b>	<b>(96,216)</b>
<b>Total Increase (Decrease)</b>	<b>(106,345)</b>	<b>251,376</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>4,135,113</b>	<b>3,883,737</b>
<b>End of Period</b>	<b>4,028,768</b>	<b>4,135,113</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$182.61</b>	<b>\$166.09</b>	<b>\$187.02</b>	<b>\$134.84</b>	<b>\$122.80</b>	<b>\$134.33</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.590	3.253	3.213	2.801	2.522	2.501
Net Realized and Unrealized Gain (Loss) on Investments	10.651	16.513	(20.893)	52.014	12.053	(11.541)
Total from Investment Operations	12.241	19.766	(17.680)	54.815	14.575	(9.040)
<b>Distributions</b>						
Dividends from Net Investment Income	(1.751)	(3.246)	(3.250)	(2.635)	(2.535)	(2.490)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.751)	(3.246)	(3.250)	(2.635)	(2.535)	(2.490)
<b>Net Asset Value, End of Period</b>	<b>\$193.10</b>	<b>\$182.61</b>	<b>\$166.09</b>	<b>\$187.02</b>	<b>\$134.84</b>	<b>\$122.80</b>
<b>Total Return</b>	<b>6.77%</b>	<b>12.09%</b>	<b>-9.55%</b>	<b>41.00%</b>	<b>12.12%</b>	<b>-6.73%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$2,882	\$3,070	\$2,889	\$3,924	\$1,676	\$1,921
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.77%	1.87%	1.76%	1.66%	2.05%	2.04%
Portfolio Turnover Rate <sup>3</sup>	3%	5%	4%	5%	4%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended	Year Ended August 31,				
	February 29, 2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$93.04</b>	<b>\$84.62</b>	<b>\$95.29</b>	<b>\$68.70</b>	<b>\$62.57</b>	<b>\$68.45</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	.810	1.654	1.652	1.424	1.294	1.282
Net Realized and Unrealized Gain (Loss) on Investments	5.423	8.420	(10.665)	26.507	6.130	(5.892)
Total from Investment Operations	6.233	10.074	(9.013)	27.931	7.424	(4.610)
<b>Distributions</b>						
Dividends from Net Investment Income	(.893)	(1.654)	(1.657)	(1.341)	(1.294)	(1.270)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.893)	(1.654)	(1.657)	(1.341)	(1.294)	(1.270)
<b>Net Asset Value, End of Period</b>	<b>\$98.38</b>	<b>\$93.04</b>	<b>\$84.62</b>	<b>\$95.29</b>	<b>\$68.70</b>	<b>\$62.57</b>
<b>Total Return<sup>2</sup></b>	<b>6.78%</b>	<b>12.10%</b>	<b>-9.56%</b>	<b>41.04%</b>	<b>12.14%</b>	<b>-6.74%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$1,147	\$1,065	\$994	\$1,078	\$583	\$482
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.77%	1.86%	1.78%	1.67%	2.08%	2.04%
Portfolio Turnover Rate <sup>4</sup>	3%	5%	4%	5%	4%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

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 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. 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$120,000, 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 six months ended February 29, 2024, 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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	4,014,599	—	—	4,014,599
Temporary Cash Investments	17,462	—	—	17,462
Total	4,032,061	—	—	4,032,061
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	55	—	55

E. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	3,779,419
Gross Unrealized Appreciation	733,974
Gross Unrealized Depreciation	(481,332)
Net Unrealized Appreciation (Depreciation)	252,642

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$168,286,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$154,195,000 of investment securities and sold \$131,781,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$220,665,000 and \$530,108,000, 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 six months ended February 29, 2024, such purchases were \$243,000 and sales were \$1,155,000, resulting in net realized gain of \$75,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	225,705	1,227	492,462	2,743
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(530,226)	(3,115)	(564,077)	(3,325)
Net Increase (Decrease)—ETF Shares	(304,521)	(1,888)	(71,615)	(582)
<b>Admiral Shares</b>				
Issued	123,786	1,363	237,053	2,655
Issued in Lieu of Cash Distributions	9,491	104	17,073	200
Redeemed	(115,484)	(1,256)	(278,727)	(3,163)
Net Increase (Decrease)—Admiral Shares	17,793	211	(24,601)	(308)

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.



# Utilities Index Fund

## Fund Allocation

As of February 29, 2024

Electric Utilities	61.9%
Gas Utilities	4.3
Independent Power and Renewable Electricity Producers	3.8
Multi-Utilities	26.0
Water Utilities	4.0

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 (unaudited)

## Schedule of Investments

As of February 29, 2024

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.6%)</b>			ONE Gas Inc.	335,945	20,022	Unitil Corp.	97,468	4,967
<b>Electric Utilities (61.7%)</b>			Spire Inc.	322,469	19,129			<b>1,610,262</b>
NextEra Energy Inc.	12,429,669	685,993	Chesapeake Utilities Corp.	131,201	13,386	<b>Water Utilities (3.9%)</b>		
Southern Co.	6,607,178	444,333	Northwest Natural Holding Co.	222,910	8,190	American Water Works Co. Inc.	1,179,579	139,827
Duke Energy Corp.	4,669,110	428,764				Essential Utilities Inc.	1,572,978	54,708
Constellation Energy Corp.	1,934,873	325,929			<b>269,000</b>	California Water Service Group	349,639	16,045
American Electric Power Co. Inc.	3,185,892	271,406	<b>Independent Power and Renewable Electricity Producers (3.8%)</b>			American States Water Co.	224,046	15,999
Exelon Corp.	6,030,549	216,135	Vistra Corp.	2,057,851	112,235	SJW Group	183,821	10,121
PG&E Corp.	11,179,016	186,578	AES Corp.	4,056,797	61,663	Middlesex Water Co.	107,788	5,486
Xcel Energy Inc.	3,343,002	176,143	Ormat Technologies Inc. (XNYS)	329,087	21,440	York Water Co.	86,704	3,069
Edison International	2,323,741	158,061	NextEra Energy Partners LP	566,038	15,549			<b>245,255</b>
Entergy Corp.	1,281,139	130,125	Clearway Energy Inc. Class C	498,833	10,875	<b>Total Common Stocks (Cost \$6,618,700) 6,197,709</b>		
Eversource Energy	2,116,296	124,227	*.1 Sunnova Energy International Inc.	666,936	4,855	<b>Temporary Cash Investments (0.1%)</b>		
FirstEnergy Corp.	3,302,466	120,903	Clearway Energy Inc. Class A	199,577	4,044	<b>Money Market Fund (0.1%)</b>		
PPL Corp.	4,465,644	117,759	* Altus Power Inc.	385,302	2,624	<sup>2,3</sup> Vanguard Market Liquidity Fund, 5.400% (Cost \$5,097) 50,983 5,098		
NRG Energy Inc.	1,367,726	75,663	* Montauk Renewables Inc.	304,777	1,731			<b>Total Investments (99.7%) (Cost \$6,623,797) 6,202,807</b>
Alliant Energy Corp.	1,545,932	73,818			<b>235,016</b>	<b>Other Assets and Liabilities— Net (0.3%) 20,533</b>		
Eergy Inc.	1,391,683	68,944	<b>Multi-Utilities (25.9%)</b>			<b>Net Assets (100.0%) 6,223,340</b>		
Pinnacle West Capital Corp.	686,984	46,942	Sempra	3,812,602	269,170	Cost is in \$000.		
OGE Energy Corp.	1,213,375	39,932	Dominion Energy Inc.	5,069,489	242,474	• See Note A in Notes to Financial Statements.		
IDACORP Inc.	306,634	27,018	Public Service Enterprise Group Inc.	3,018,879	188,378	* Non-income-producing security.		
Portland General Electric Co.	612,631	24,609	Consolidated Edison Inc.	2,091,394	182,390	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$1,149,000.		
Otter Tail Corp.	227,425	20,573	WEC Energy Group Inc.	1,910,967	149,992	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.		
ALLETE Inc.	348,207	19,722	DTE Energy Co.	1,249,559	135,390	3 Collateral of \$1,105,000 was received for securities on loan.		
PNM Resources Inc.	494,001	18,036	Ameren Corp.	1,592,976	113,404			
Avangrid Inc.	468,630	14,589	CMS Energy Corp.	1,767,564	101,405			
MGE Energy Inc.	219,088	13,844	CenterPoint Energy Inc.	3,538,088	97,297			
Hawaiian Electric Industries Inc.	667,451	8,130	NiSource Inc.	2,710,006	70,623			
		<b>3,838,176</b>	Black Hills Corp.	411,918	21,432			
<b>Gas Utilities (4.3%)</b>			Northwestern Energy Group Inc.	371,017	17,779			
Atmos Energy Corp.	913,778	103,175	Avista Corp.	468,715	15,561			
UGI Corp.	1,269,182	31,069						
National Fuel Gas Co.	528,501	25,759						
New Jersey Resources Corp.	592,400	24,650						
Southwest Gas Holdings Inc.	346,586	23,620						

### Derivative Financial Instruments Outstanding as of Period End

#### Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
CenterPoint Energy Inc.	1/31/25	CITNA	7,865	(5.311)	—	(3)
PG&E Corp.	8/30/24	BANA	18,359	(5.326)	—	(80)
					—	(83)

<sup>1</sup> 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.

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

# Statement of Assets and Liabilities

As of February 29, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$6,618,700)	6,197,709
Affiliated Issuers (Cost \$5,097)	5,098
Total Investments in Securities	6,202,807
Investment in Vanguard	195
Cash Collateral Pledged—Over-the-Counter Swap Contracts	260
Receivables for Investment Securities Sold	18,162
Receivables for Accrued Income	33,782
Receivables for Capital Shares Issued	849
<b>Total Assets</b>	<b>6,256,055</b>
<b>Liabilities</b>	
Due to Custodian	2,318
Payables for Investment Securities Purchased	27,906
Collateral for Securities on Loan	1,105
Payables for Capital Shares Redeemed	1,066
Payables to Vanguard	237
Unrealized Depreciation—Over-the-Counter Swap Contracts	83
<b>Total Liabilities</b>	<b>32,715</b>
<b>Net Assets</b>	<b>6,223,340</b>

<sup>1</sup> Includes \$1,149,000 of securities on loan.

At February 29, 2024, net assets consisted of:

Paid-in Capital	6,836,516
Total Distributable Earnings (Loss)	(613,176)
<b>Net Assets</b>	<b>6,223,340</b>
<b>ETF Shares—Net Assets</b>	
Applicable to 35,852,058 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,822,081
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$134.50</b>
<b>Admiral Shares—Net Assets</b>	
Applicable to 20,765,673 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,401,259
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$67.48</b>

## Statement of Operations

	Six Months Ended February 29, 2024 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	108,775
Interest <sup>1</sup>	372
Securities Lending—Net	60
Total Income	109,207
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	68
Management and Administrative— ETF Shares	2,048
Management and Administrative— Admiral Shares	615
Marketing and Distribution— ETF Shares	121
Marketing and Distribution— Admiral Shares	37
Custodian Fees	43
Shareholders' Reports—ETF Shares	110
Shareholders' Reports—Admiral Shares	11
Trustees' Fees and Expenses	2
Other Expenses	9
Total Expenses	3,064
Expenses Paid Indirectly	(1)
Net Expenses	3,063
<b>Net Investment Income</b>	<b>106,144</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	26,832
Swap Contracts	(1,033)
<b>Realized Net Gain (Loss)</b>	<b>25,799</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	(116,519)
Swap Contracts	(115)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(116,634)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>15,309</b>

<sup>1</sup> Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$372,000, (\$3,000), less than \$1,000, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$66,257,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended February 29, 2024 (\$000)	Year Ended August 31, 2023 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	106,144	226,288
Realized Net Gain (Loss)	25,799	110,065
Change in Unrealized Appreciation (Depreciation)	(116,634)	(1,338,131)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>15,309</b>	<b>(1,001,778)</b>
<b>Distributions</b>		
ETF Shares	(90,370)	(174,158)
Admiral Shares	(26,032)	(53,913)
<b>Total Distributions</b>	<b>(116,402)</b>	<b>(228,071)</b>
<b>Capital Share Transactions</b>		
ETF Shares	(167,703)	(13,355)
Admiral Shares	(23,899)	(147,955)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>(191,602)</b>	<b>(161,310)</b>
<b>Total Increase (Decrease)</b>	<b>(292,695)</b>	<b>(1,391,159)</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>6,516,035</b>	<b>7,907,194</b>
<b>End of Period</b>	<b>6,223,340</b>	<b>6,516,035</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,			Year Ended August 31,		
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$136.43</b>	<b>\$161.46</b>	<b>\$149.52</b>	<b>\$129.35</b>	<b>\$139.09</b>	<b>\$119.32</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	2.293	4.708	4.393	4.310	4.306	4.087
Net Realized and Unrealized Gain (Loss) on Investments	(1.699)	(25.005)	11.897	20.048	(9.802)	19.562
Total from Investment Operations	.594	(20.297)	16.290	24.358	(5.496)	23.649
<b>Distributions</b>						
Dividends from Net Investment Income	(2.524)	(4.733)	(4.350)	(4.188)	(4.244)	(3.879)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(2.524)	(4.733)	(4.350)	(4.188)	(4.244)	(3.879)
<b>Net Asset Value, End of Period</b>	<b>\$134.50</b>	<b>\$136.43</b>	<b>\$161.46</b>	<b>\$149.52</b>	<b>\$129.35</b>	<b>\$139.09</b>
<b>Total Return</b>	<b>0.47%</b>	<b>-12.75%</b>	<b>11.18%</b>	<b>19.19%</b>	<b>-4.08%</b>	<b>20.17%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,822	\$5,071	\$6,030	\$5,126	\$4,014	\$4,107
Ratio of Total Expenses to Average Net Assets	0.10% <sup>2</sup>	0.10% <sup>2</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.45%	3.19%	2.87%	3.09%	3.18%	3.22%
Portfolio Turnover Rate <sup>3</sup>	3%	4%	3%	6%	5%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

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.

## Financial Highlights

### Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended February 29,	Year Ended August 31,				
	2024	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$68.45</b>	<b>\$81.00</b>	<b>\$75.01</b>	<b>\$64.89</b>	<b>\$69.78</b>	<b>\$59.86</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.159	2.351	2.212	2.166	2.163	2.038
Net Realized and Unrealized Gain (Loss) on Investments	(.862)	(12.527)	5.961	10.055	(4.924)	9.828
Total from Investment Operations	.297	(10.176)	8.173	12.221	(2.761)	11.866
<b>Distributions</b>						
Dividends from Net Investment Income	(1.267)	(2.374)	(2.183)	(2.101)	(2.129)	(1.946)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.267)	(2.374)	(2.183)	(2.101)	(2.129)	(1.946)
<b>Net Asset Value, End of Period</b>	<b>\$67.48</b>	<b>\$68.45</b>	<b>\$81.00</b>	<b>\$75.01</b>	<b>\$64.89</b>	<b>\$69.78</b>
<b>Total Return<sup>2</sup></b>	<b>0.46%</b>	<b>-12.73%</b>	<b>11.22%</b>	<b>19.22%</b>	<b>-4.05%</b>	<b>20.19%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$1,401	\$1,445	\$1,877	\$1,582	\$1,281	\$1,266
Ratio of Total Expenses to Average Net Assets	0.10% <sup>3</sup>	0.10% <sup>3</sup>	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.47%	3.17%	2.88%	3.10%	3.18%	3.22%
Portfolio Turnover Rate <sup>4</sup>	3%	4%	3%	6%	5%	4%

The expense ratio and net investment income ratio for the current period have been annualized.

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 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 six months ended February 29, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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 six months ended February 29, 2024, 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 February 29, 2024, the fund had contributed to Vanguard capital in the amount of \$195,000, 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 six months ended February 29, 2024, custodian fee offset arrangements reduced the fund's expenses by \$1,000 (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 February 29, 2024, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	6,197,709	—	—	6,197,709
Temporary Cash Investments	5,098	—	—	5,098
Total	6,202,807	—	—	6,202,807
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	83	—	83

E. As of February 29, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	6,643,934
Gross Unrealized Appreciation	394,938
Gross Unrealized Depreciation	(836,065)
Net Unrealized Appreciation (Depreciation)	(441,127)

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2023, the fund had available capital losses totaling \$238,813,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending August 31, 2024; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended February 29, 2024, the fund purchased \$161,685,000 of investment securities and sold \$190,183,000 of investment securities, other than temporary cash investments. In addition, the fund purchased and sold investment securities of \$404,341,000 and \$578,208,000, 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 six months ended February 29, 2024, such purchases were \$0 and sales were \$5,014,000, resulting in net realized loss of \$1,053,000; 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:

	Six Months Ended February 29, 2024		Year Ended August 31, 2023	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	412,389	3,133	791,370	5,346
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(580,092)	(4,450)	(804,725)	(5,525)
Net Increase (Decrease)—ETF Shares	(167,703)	(1,317)	(13,355)	(179)
<b>Admiral Shares</b>				
Issued	189,186	2,831	269,479	3,578
Issued in Lieu of Cash Distributions	19,701	295	41,299	562
Redeemed	(232,786)	(3,474)	(458,733)	(6,200)
Net Increase (Decrease)—Admiral Shares	(23,899)	(348)	(147,955)	(2,060)

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 February 29, 2024, that would require recognition or disclosure in these financial statements.

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