Vanguard

Annual Report | January 31, 2024

Vanguard Dividend Appreciation Index Fund

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

Important information about shareholder reports

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

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

Contents

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

Your Fund's Performance at a Glance

- For the 12 months ended January 31, 2024, Vanguard Dividend Appreciation Index Fund returned 12.66% for ETF Shares (based on net asset value) and 12.64% for Admiral Shares. Those results were in line with the 12.72% return of the fund's benchmark index after taking into account the cost of running the fund.

- With inflation continuing to ease, the Federal Reserve slowed and eventually stopped hiking interest rates. Economic growth, the labor market, and consumer spending proved resilient, but the prospect of rates remaining high for an extended period spurred volatility at times. U.S. stocks rallied toward the end of 2023, however, as sentiment improved amid market expectations for rate cuts in 2024.

- From a sector perspective, the largest contributor to the fund's performance was information technology. Other contributors included financials, industrials, and consumer staples. Utilities, consumer discretionary, and energy detracted.

Market Barometer

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

About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended January 31, 2024

	Beginning Account Value 7/31/2023	Ending Account Value 1/31/2024	Expenses Paid During Period
Based on Actual Fund Return			
Dividend Appreciation Index Fund			
ETF Shares	$1,000.00	$1,048.70	$0.31
Admiral™ Shares	1,000.00	1,048.60	0.41
Based on Hypothetical 5% Yearly Return			
Dividend Appreciation Index Fund			
ETF Shares	$1,000.00	$1,024.90	$0.31
Admiral Shares	1,000.00	1,024.80	0.41

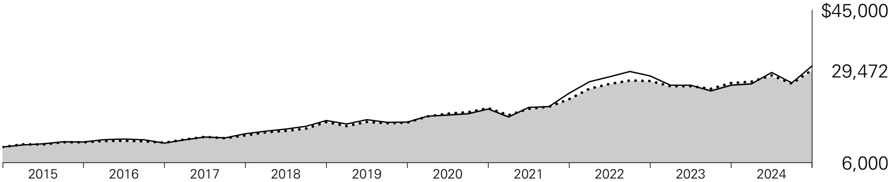
The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratios for that period are 0.06% for ETF Shares and 0.08% for Admiral Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

Dividend Appreciation Index Fund

Performance Summary

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

Cumulative Performance: January 31, 2014, Through January 31, 2024
Initial Investment of $10,000



	Average Annual Total Returns Periods Ended January 31, 2024			
	One Year	Five Years	Ten Years	Final Value of a $10,000 Investment
Dividend Appreciation Index Fund ETF Shares Net Asset Value	12.66%	12.74%	11.41%	$29,472
Dividend Appreciation Index Fund ETF Shares Market Price	12.65	12.72	11.41	29,468
Spliced S&P U.S. Dividend Growers Index	12.72	12.83	11.49	29,676
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	11.87	30,709

Spliced S&P U.S. Dividend Growers Index: NASDAQ US Dividend Achievers Select Index through September 19, 2021; S&P U.S. Dividend Growers Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a $10,000 Investment
Dividend Appreciation Index Fund Admiral Shares	12.64%	12.73%	11.40%	$29,444
Spliced S&P U.S. Dividend Growers Index	12.72	12.83	11.49	29,676
Dow Jones U.S. Total Stock Market Float Adjusted Index	19.14	13.41	11.87	30,709

See Financial Highlights for dividend and capital gains information.

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

	One Year	Five Years	Ten Years
Dividend Appreciation Index Fund ETF Shares Market Price	12.65%	81.97%	194.68%
Dividend Appreciation Index Fund ETF Shares Net Asset Value	12.66	82.14	194.72
Spliced S&P U.S. Dividend Growers Index	12.72	82.84	196.76

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

Fund Allocation
As of January 31, 2024

Communication Services	1.3%
Consumer Discretionary	6.8
Consumer Staples	11.8
Energy	2.8
Financials	19.1
Health Care	14.8
Industrials	13.0
Information Technology	23.6
Materials	4.3
Utilities	2.5

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

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

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

Financial Statements

Schedule of Investments
As of January 31, 2024

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

	Shares	Market Value• ($000)
Common Stocks (99.6%)		
Communication Services (1.3%)		
Comcast Corp. Class A	23,611,512	1,098,880
John Wiley & Sons Inc. Class A	244,068	8,259
		1,107,139
Consumer Discretionary (6.8%)		
Home Depot Inc.	5,758,909	2,032,664
McDonald's Corp.	4,158,438	1,217,258
Lowe's Cos. Inc.	3,396,640	722,941
NIKE Inc. Class B	7,095,490	720,405
Starbucks Corp.	6,542,957	608,691
Tractor Supply Co.	619,567	139,155
Genuine Parts Co.	804,355	112,795
Pool Corp.	221,615	82,275
Williams-Sonoma Inc.	368,550	71,274
Service Corp. International	848,359	56,942
Churchill Downs Inc.	390,134	47,194
Lithia Motors Inc.	157,798	46,527
Thor Industries Inc.	306,154	34,602
Brunswick Corp.	394,510	31,829
Polaris Inc.	305,006	27,438
Worthington Industries Inc.	176,041	10,041
Dillard's Inc. Class A	20,151	7,804
Monro Inc.	179,518	5,719
Shoe Carnival Inc.	110,047	2,806
Haverty Furniture Cos. Inc.	76,123	2,581
Aaron's Co. Inc.	180,584	1,858
		5,982,799
Consumer Staples (11.8%)		
Procter & Gamble Co.	13,572,315	2,132,754
Costco Wholesale Corp.	2,531,927	1,759,385
Walmart Inc.	8,231,411	1,360,241
PepsiCo Inc.	7,885,268	1,328,904
Coca-Cola Co.	22,307,830	1,327,093
Colgate-Palmolive Co.	4,718,984	397,338
Target Corp.	2,645,149	367,887
Sysco Corp.	2,883,982	233,401
Archer-Daniels-Midland Co.	3,069,974	170,629
Hershey Co.	859,440	166,336
Kenvue Inc.	7,987,817	165,827
Church & Dwight Co. Inc.	1,412,379	141,026
Kroger Co.	2,793,206	128,879
Clorox Co.	709,978	103,124
McCormick & Co. Inc.	1,440,109	98,158
Tyson Foods Inc. Class A	1,657,919	90,788
J M Smucker Co.	607,013	79,853
Casey's General Stores Inc.	213,259	57,870
Brown-Forman Corp. Class B	1,047,320	57,498
Hormel Foods Corp.	1,656,640	50,312
Ingredion Inc.	373,379	40,164
Flowers Foods Inc.	1,100,276	25,086
Lancaster Colony Corp.	116,675	21,443
WD-40 Co.	77,529	20,078
J & J Snack Foods Corp.	88,141	14,035
Andersons Inc.	180,007	9,488
SpartanNash Co.	202,453	4,541
Tootsie Roll Industries Inc.	98,968	3,225
		10,355,363
Energy (2.7%)		
Exxon Mobil Corp.	22,967,142	2,361,252
Texas Pacific Land Corp.	35,575	51,987
		2,413,239
Financials (19.1%)		
JPMorgan Chase & Co.	16,575,006	2,890,018
Visa Inc. Class A	8,749,833	2,390,979
Mastercard Inc. Class A	4,776,512	2,145,752
S&P Global Inc.	1,878,849	842,382
Goldman Sachs Group Inc.	1,869,619	717,952
BlackRock Inc.	804,386	622,844
Chubb Ltd.	2,339,360	573,143
Marsh & McLennan Cos. Inc.	2,832,973	549,144
CME Group Inc.	2,064,417	424,940
Moody's Corp.	902,019	353,628
PNC Financial Services Group Inc.	2,296,432	347,243
Aon plc Class A (XNYS)	1,156,387	345,101
Arthur J Gallagher & Co.	1,230,292	285,625
Travelers Cos. Inc.	1,327,581	280,598
Aflac Inc.	3,080,453	259,805
MetLife Inc.	3,563,466	247,019
Bank of New York Mellon Corp.	4,407,652	244,448
Allstate Corp.	1,512,515	234,818
Ameriprise Financial Inc.	586,055	226,704
Discover Financial Services	1,466,569	154,752

	Shares	Market Value• ($000)
Hartford Financial Services Group Inc.	1,740,800	151,380
State Street Corp.	1,859,451	137,358
Fifth Third Bancorp	3,921,685	134,279
Raymond James Financial Inc.	1,075,007	118,444
Nasdaq Inc.	1,951,004	112,710
Cboe Global Markets Inc.	605,615	111,342
Brown & Brown Inc.	1,354,432	105,050
FactSet Research Systems Inc.	216,788	103,174
Cincinnati Financial Corp.	899,860	99,705
Principal Financial Group Inc.	1,256,429	99,384
W R Berkley Corp.	1,172,401	95,996
Jack Henry & Associates Inc.	417,042	69,158
RenaissanceRe Holdings Ltd.	300,373	68,734
Reinsurance Group of America Inc.	378,375	65,796
Globe Life Inc.	491,037	60,309
Unum Group	1,052,863	50,895
Assurant Inc.	301,625	50,658
Erie Indemnity Co. Class A	142,817	49,390
MarketAxess Holdings Inc.	217,184	48,977
Primerica Inc.	200,776	47,014
American Financial Group Inc.	374,829	45,129
Morningstar Inc.	148,998	41,615
Cullen/Frost Bankers Inc.	366,565	38,900
SEI Investments Co.	578,693	36,597
SouthState Corp.	434,393	36,098
Commerce Bancshares Inc.	682,839	35,590
Zions Bancorp NA	848,184	35,539
Evercore Inc. Class A	199,564	34,271
Prosperity Bancshares Inc.	535,935	34,252
RLI Corp.	229,222	31,259
Bank OZK	607,102	27,386
Hanover Insurance Group Inc.	204,505	26,997
Axis Capital Holdings Ltd.	444,794	26,474
Home BancShares Inc.	1,081,994	25,362
Assured Guaranty Ltd.	312,085	25,319
Glacier Bancorp Inc.	633,926	24,508
First Financial Bankshares Inc.	740,127	23,114
UMB Financial Corp.	249,448	20,579
* American Equity Investment Life Holding Co.	358,678	19,803
CNO Financial Group Inc.	649,809	17,662
International Bancshares Corp.	303,722	16,055
Atlantic Union Bankshares Corp.	427,858	14,616
Independent Bank Corp. (XNGS)	250,617	14,057
Community Bank System Inc.	306,642	14,035
Simmons First National Corp. Class A	719,030	13,669
BOK Financial Corp.	158,456	13,285
First Merchants Corp.	343,493	11,614
Towne Bank	384,638	10,812
Cohen & Steers Inc.	146,054	10,285
Federal Agricultural Mortgage Corp. Class C	53,153	9,902
Lakeland Financial Corp.	144,804	9,696
NBT Bancorp Inc.	269,391	9,582
City Holding Co.	85,322	8,721
Horace Mann Educators Corp.	234,109	8,622
Stock Yards Bancorp Inc.	155,937	7,753
BancFirst Corp.	83,861	7,423
Westamerica BanCorp	152,126	7,259
TriCo Bancshares	191,264	6,952
German American Bancorp Inc.	169,300	5,609
Southside Bancshares Inc.	166,977	5,226
1st Source Corp.	95,213	4,977
Lakeland Bancorp Inc.	366,851	4,875
Heritage Financial Corp.	202,392	4,078
Tompkins Financial Corp.	73,870	3,648
Cass Information Systems Inc.	68,876	2,973
First Financial Corp.	60,815	2,397
Southern Missouri Bancorp Inc.	43,905	1,915
Hingham Institution for Savings	10,259	1,896
Bank of Marin Bancorp	80,190	1,570
		16,756,604
Health Care (14.7%)		
UnitedHealth Group Inc.	5,302,420	2,713,460
Johnson & Johnson	13,800,295	2,192,867
Merck & Co. Inc.	14,527,008	1,754,572
Abbott Laboratories	9,947,396	1,125,548
Medtronic plc	7,622,376	667,263
Elevance Health Inc.	1,347,240	664,782
Stryker Corp.	1,936,457	649,643
Bristol-Myers Squibb Co.	11,666,982	570,165
Zoetis Inc.	2,632,566	494,422
Becton Dickinson & Co.	1,671,244	399,110
McKesson Corp.	789,558	394,692
Humana Inc.	714,747	270,217
Cencora Inc.	956,368	222,528
ResMed Inc.	840,622	159,886
West Pharmaceutical Services Inc.	424,024	158,174
Cardinal Health Inc.	1,437,141	156,922
STERIS plc	569,309	124,650
Quest Diagnostics Inc.	661,489	84,955
Chemed Corp.	86,352	51,189
Ensign Group Inc.	322,797	36,547
Perrigo Co. plc	774,913	24,859
LeMaitre Vascular Inc.	114,855	6,666
Embecta Corp.	331,381	5,680
Atrion Corp.	7,676	2,610
		12,931,407
Industrials (12.9%)		
Caterpillar Inc.	2,924,604	878,288
Union Pacific Corp.	3,511,908	856,660

	Shares	Market Value• ($000)
Honeywell International Inc.	3,805,171	769,634
United Parcel Service Inc. Class B (XNYS)	4,147,587	588,543
Automatic Data Processing Inc.	2,361,392	580,383
Eaton Corp. plc	2,288,706	563,205
Lockheed Martin Corp.	1,299,912	558,195
Illinois Tool Works Inc.	1,580,005	412,223
CSX Corp.	11,325,804	404,331
Waste Management Inc.	2,112,468	392,137
Northrop Grumman Corp.	816,903	364,960
General Dynamics Corp.	1,298,541	344,100
Emerson Electric Co.	3,381,608	310,195
Cintas Corp.	495,873	299,790
WW Grainger Inc.	253,336	226,898
L3Harris Technologies Inc.	1,086,364	226,420
Paychex Inc.	1,842,165	224,247
Fastenal Co.	3,286,535	224,240
Republic Services Inc.	1,172,131	200,575
Cummins Inc.	810,765	194,016
Rockwell Automation Inc.	659,028	166,919
Xylem Inc.	1,381,470	155,333
Broadridge Financial Solutions Inc.	674,196	137,671
Dover Corp.	805,509	120,649
Expeditors International of Washington Inc.	833,448	105,290
Booz Allen Hamilton Holding Corp.	747,101	105,169
Hubbell Inc.	307,741	103,269
JB Hunt Transport Services Inc.	466,524	93,762
IDEX Corp.	433,708	91,729
Snap-on Inc.	303,198	87,906
Carlisle Cos. Inc.	279,065	87,699
Graco Inc.	967,458	82,524
Stanley Black & Decker Inc.	881,626	82,256
Lennox International Inc.	182,857	78,292
Nordson Corp.	310,881	78,255
Lincoln Electric Holdings Inc.	327,526	72,783
Pentair plc	949,864	69,502
Allegion plc	502,556	62,262
HEICO Corp. Class A	436,102	61,695
Huntington Ingalls Industries Inc.	228,620	59,194
ITT Inc.	470,355	56,810
CH Robinson Worldwide Inc.	670,036	56,343
Toro Co.	592,230	54,769
A O Smith Corp.	702,343	54,509
Regal Rexnord Corp.	379,561	50,656
Robert Half Inc.	611,766	48,660
Donaldson Co. Inc.	698,350	45,106
Comfort Systems USA Inc.	204,814	44,541
HEICO Corp.	227,237	40,810
UFP Industries Inc.	354,714	40,242
Applied Industrial Technologies Inc.	221,383	39,065
MSA Safety Inc.	211,527	34,908

	Shares	Market Value• ($000)
Watts Water Technologies Inc. Class A	156,895	31,067
Ryder System Inc.	253,078	28,742
GATX Corp.	202,717	24,863
Insperity Inc.	203,848	23,379
Franklin Electric Co. Inc.	227,494	21,444
ManpowerGroup Inc.	280,027	20,761
Hillenbrand Inc.	400,906	18,670
McGrath RentCorp.	139,949	17,585
Brady Corp. Class A	258,242	15,554
ABM Industries Inc.	375,934	15,334
Griffon Corp.	233,667	13,613
Trinity Industries Inc.	468,583	11,780
Standex International Corp.	68,064	10,050
Tennant Co.	106,152	10,034
Lindsay Corp.	63,778	8,298
Apogee Enterprises Inc.	127,456	6,731
Matthews International Corp. Class A	177,105	5,827
Gorman-Rupp Co.	141,130	4,712
Douglas Dynamics Inc.	130,864	3,291
		11,379,353
Information Technology (23.5%)		
Microsoft Corp.	12,243,601	4,867,811
Apple Inc.	20,004,595	3,688,847
Broadcom Inc.	2,438,917	2,877,922
Accenture plc Class A	3,600,127	1,310,014
Cisco Systems Inc.	23,210,794	1,164,718
Intuit Inc.	1,611,963	1,017,681
Oracle Corp.	9,107,408	1,017,297
QUALCOMM Inc.	6,414,455	952,611
Texas Instruments Inc.	5,214,028	834,870
Analog Devices Inc.	2,899,857	557,816
KLA Corp.	797,800	473,925
Amphenol Corp. Class A	3,431,658	346,941
Roper Technologies Inc.	612,171	328,736
Motorola Solutions Inc.	951,124	303,884
Microchip Technology Inc.	3,113,218	265,184
TE Connectivity Ltd.	1,790,273	254,559
HP Inc.	5,104,497	146,550
Corning Inc.	4,400,909	142,986
Amdocs Ltd.	688,847	63,153
Littelfuse Inc.	142,622	34,500
Power Integrations Inc.	326,650	24,486
Badger Meter Inc.	167,965	24,185
		20,698,676
Materials (4.3%)		
Linde plc	2,790,756	1,129,782
Sherwin-Williams Co.	1,349,682	410,816
Air Products and Chemicals Inc.	1,271,604	325,162
Ecolab Inc.	1,454,577	288,326
Nucor Corp.	1,428,614	267,051
PPG Industries Inc.	1,351,669	190,639
International Flavors & Fragrances Inc.	1,463,147	118,047
Steel Dynamics Inc.	871,689	105,204
Reliance Steel & Aluminum Co.	329,468	94,037
Avery Dennison Corp.	461,434	92,033
Packaging Corp. of America	513,360	85,156
Celanese Corp.	574,377	84,026
RPM International Inc.	739,044	78,826

	Shares	Market Value• ($000)
Albemarle Corp.	671,976	77,103
Eastman Chemical Co.	685,497	57,273
AptarGroup Inc.	377,701	49,056
Royal Gold Inc.	375,922	43,002
Sonoco Products Co.	560,695	31,904
Ashland Inc.	292,633	27,396
Balchem Corp.	184,948	25,922
Westlake Corp.	182,716	25,279
HB Fuller Co.	305,899	23,178
Cabot Corp.	316,512	22,820
Silgan Holdings Inc.	465,726	21,395
Avient Corp.	520,740	18,856
Sensient Technologies Corp.	243,643	15,113
Quaker Chemical Corp.	79,461	15,093
Materion Corp.	118,753	13,891
Scotts Miracle-Gro Co.	235,463	13,247
Stepan Co.	121,359	10,834
Hawkins Inc.	109,499	7,289
* Worthington Steel Inc.	176,014	5,272
		3,773,028
Utilities (2.5%)		
NextEra Energy Inc.	11,761,982	689,605
Sempra	3,611,530	258,441
Xcel Energy Inc.	3,162,659	189,348
WEC Energy Group Inc.	1,808,143	146,026
American Water Works Co. Inc.	1,116,971	138,527
DTE Energy Co.	1,181,896	124,595
Eversource Energy	2,002,270	108,563
CMS Energy Corp.	1,665,016	95,172
Atmos Energy Corp.	831,829	94,779
Alliant Energy Corp.	1,463,787	71,228
AES Corp.	3,834,429	63,958
Essential Utilities Inc.	1,444,724	51,808
IDACORP Inc.	290,074	26,855
National Fuel Gas Co.	524,045	24,714
New Jersey Resources Corp.	556,410	22,718
ONE Gas Inc.	317,006	19,455
American States Water Co.	211,053	15,745
California Water Service Group	333,470	15,096
MGE Energy Inc.	206,670	13,328
Chesapeake Utilities Corp.	123,912	12,550
SJW Group	164,889	9,817
Middlesex Water Co.	101,083	5,658
York Water Co.	80,736	2,897
Artesian Resources Corp. Class A	56,165	2,050
		2,202,933
Total Common Stocks (Cost $62,043,059)		**87,600,541**
Temporary Cash Investments (0.3%)		
Money Market Fund (0.3%)		
1 Vanguard Market Liquidity Fund, 5.410% **(Cost $270,081)**	2,701,389	**270,112**
Total Investments (99.9%) (Cost $62,313,140)		**87,870,653**
Other Assets and Liabilities—Net (0.1%)		**83,061**
Net Assets (100%)		**87,953,714**

Cost is in $000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount ($000)	Value and Unrealized Appreciation (Depreciation) ($000)
Long Futures Contracts				
E-mini S&P 500 Index	March 2024	717	174,607	2,795

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount ($000)	Floating Interest Rate Received (Paid)[1] (%)	Value and Unrealized Appreciation ($000)	Value and Unrealized (Depreciation) ($000)
Kroger Co.	1/31/25	GSI	46,140	(5.320)	—	—
Visa Inc. Class A	8/30/24	BANA	121,601	(5.226)	—	(505)
					—	(505)

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

At January 31, 2024, the counterparties had deposited in segregated accounts securities with a value of $7,306,000 in connection with open over-the-counter swap contracts.

Statement of Assets and Liabilities

As of January 31, 2024

($000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost $62,043,059)	87,600,541
Affiliated Issuers (Cost $270,081)	270,112
Total Investments in Securities	87,870,653
Investment in Vanguard	2,786
Cash	39
Cash Collateral Pledged—Futures Contracts	8,470
Cash Collateral Pledged—Over-the-Counter Swap Contracts	40
Receivables for Investment Securities Sold	5,745
Receivables for Accrued Income	70,929
Receivables for Capital Shares Issued	8,800
Total Assets	**87,967,462**
Liabilities	
Payables for Investment Securities Purchased	1,392
Payables for Capital Shares Redeemed	6,530
Payables to Vanguard	2,435
Variation Margin Payable—Futures Contracts	2,886
Unrealized Depreciation—Over-the-Counter Swap Contracts	505
Total Liabilities	**13,748**
Net Assets	**87,953,714**

At January 31, 2024, net assets consisted of:

Paid-in Capital	65,999,057
Total Distributable Earnings (Loss)	21,954,657
Net Assets	**87,953,714**

ETF Shares—Net Assets	
Applicable to 428,854,419 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	73,991,447
Net Asset Value Per Share—ETF Shares	$172.53

Admiral Shares—Net Assets	
Applicable to 298,198,066 outstanding $.001 par value shares of beneficial interest (unlimited authorization)	13,962,267
Net Asset Value Per Share—Admiral Shares	$46.82

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

Statement of Operations

	Year Ended January 31, 2024
	($000)
Investment Income	
Income	
Dividends	1,652,011
Interest[1]	12,082
Securities Lending—Net	6
Total Income	1,664,099
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,799
Management and Administrative—ETF Shares	35,112
Management and Administrative—Admiral Shares	9,255
Marketing and Distribution—ETF Shares	2,627
Marketing and Distribution—Admiral Shares	538
Custodian Fees	326
Auditing Fees	34
Shareholders' Reports—ETF Shares	1,254
Shareholders' Reports—Admiral Shares	146
Trustees' Fees and Expenses	56
Other Expenses	38
Total Expenses	51,185
Expenses Paid Indirectly	(25)
Net Expenses	51,160
Net Investment Income	**1,612,939**
Realized Net Gain (Loss)	
Investment Securities Sold[1,2]	1,171,629
Futures Contracts	11,188
Swap Contracts	15,075
Realized Net Gain (Loss)	**1,197,892**
Change in Unrealized Appreciation (Depreciation)	
Investment Securities[1]	7,179,384
Futures Contracts	(655)
Swap Contracts	(190)
Change in Unrealized Appreciation (Depreciation)	**7,178,539**
Net Increase (Decrease) in Net Assets Resulting from Operations	**9,989,370**

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 $11,704,000, $59,000, $1,000, and $8,000, respectively. Purchases and sales are for temporary cash investment purposes.

2 Includes $2,383,553,000 of net gain (loss) resulting from in-kind redemptions.

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

Statement of Changes in Net Assets

	Year Ended January 31,	
	2024 ($000)	2023 ($000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,612,939	1,480,125
Realized Net Gain (Loss)	1,197,892	2,757,929
Change in Unrealized Appreciation (Depreciation)	7,178,539	(5,746,536)
Net Increase (Decrease) in Net Assets Resulting from Operations	9,989,370	(1,508,482)
Distributions		
ETF Shares	(1,372,849)	(1,250,613)
Admiral Shares	(255,095)	(233,770)
Total Distributions	(1,627,944)	(1,484,383)
Capital Share Transactions		
ETF Shares	879,631	2,946,879
Admiral Shares	179,423	87,399
Net Increase (Decrease) from Capital Share Transactions	1,059,054	3,034,278
Total Increase (Decrease)	9,420,480	41,413
Net Assets		
Beginning of Period	**78,533,234**	**78,491,821**
End of Period	**87,953,714**	**78,533,234**

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

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31, 2024	2023	2022	2021	2020
Net Asset Value, Beginning of Period	**$156.26**	**$162.69**	**$137.11**	**$125.38**	**$104.09**
Investment Operations					
Net Investment Income[1]	3.185	2.982	2.736	2.299	2.214
Net Realized and Unrealized Gain (Loss) on Investments	16.293	(6.439)	25.504	11.728	21.210
Total from Investment Operations	19.478	(3.457)	28.240	14.027	23.424
Distributions					
Dividends from Net Investment Income	(3.208)	(2.973)	(2.660)	(2.297)	(2.134)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(3.208)	(2.973)	(2.660)	(2.297)	(2.134)
Net Asset Value, End of Period	**$172.53**	**$156.26**	**$162.69**	**$137.11**	**$125.38**
Total Return	**12.66%**	**-2.02%**	**20.71%**	**11.44%**	**22.68%**
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	$73,991	$66,062	$65,589	$51,842	$42,217
Ratio of Total Expenses to Average Net Assets	0.06%[2]	0.06%[2]	0.06%	0.06%	0.06%
Ratio of Net Investment Income to Average Net Assets	1.99%	1.96%	1.74%	1.84%	1.90%
Portfolio Turnover Rate[3]	13%	12%	26%	25%	14%

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 0.06%.

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.

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

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31, 2024	2023	2022	2021	2020
Net Asset Value, Beginning of Period	**$42.41**	**$44.15**	**$37.21**	**$34.03**	**$28.25**
Investment Operations					
Net Investment Income[1]	.856	.801	.734	.617	.594
Net Realized and Unrealized Gain (Loss) on Investments	4.416	(1.743)	6.920	3.179	5.757
Total from Investment Operations	5.272	(.942)	7.654	3.796	6.351
Distributions					
Dividends from Net Investment Income	(.862)	(.798)	(.714)	(.616)	(.571)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.862)	(.798)	(.714)	(.616)	(.571)
Net Asset Value, End of Period	**$46.82**	**$42.41**	**$44.15**	**$37.21**	**$34.03**
Total Return[2]	**12.64%**	**-2.02%**	**20.67%**	**11.44%**	**22.65%**
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	$13,962	$12,471	$12,903	$10,685	$9,955
Ratio of Total Expenses to Average Net Assets	0.08%[3]	0.08%[3]	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.97%	1.94%	1.72%	1.82%	1.87%
Portfolio Turnover Rate[4]	13%	12%	26%	25%	14%

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 0.08%.

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

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

Notes to Financial Statements

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

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

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

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

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

During the year ended January 31, 2024, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Swap Contracts: The fund has entered into equity swap contracts to earn the total return on selected reference stocks or indexes in the fund's target index. Under the terms of the swaps, the fund receives the total return on the referenced stock (i.e., receiving the increase or paying the decrease in value of the selected reference stock and receiving the equivalent of any dividends in respect of the selected referenced stock) over a specified period of time, applied to a notional

amount that represents the value of a designated number of shares of the selected reference stock at the beginning of the equity swap contract. The fund also pays a floating rate that is based on short-term interest rates, applied to the notional amount. At the same time, the fund generally invests an amount approximating the notional amount of the swap in high-quality temporary cash investments.

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

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

During the year ended January 31, 2024, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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

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

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

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

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

For the year ended January 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: 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 is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2024, the fund had contributed to Vanguard capital in the amount of $2,786,000, representing less than 0.01% of the fund's net assets and 1.11% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended January 31, 2024, custodian fee offset arrangements reduced the fund's expenses by $25,000 (an annual rate of less than 0.01% of average net assets).

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

Level 1—Quoted prices in active markets for identical securities.
Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of January 31, 2024, based on the inputs used to value them:

	Level 1 ($000)	Level 2 ($000)	Level 3 ($000)	Total ($000)
Investments				
Assets				
Common Stocks	87,600,541	—	—	87,600,541
Temporary Cash Investments	270,112	—	—	270,112
Total	87,870,653	—	—	87,870,653
Derivative Financial Instruments				
Assets				
Futures Contracts[1]	2,795	—	—	2,795
Swap Contracts	—	—	—	—
Total	2,795	—	—	2,795
Liabilities				
Swap Contracts	—	505	—	505

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

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

	Amount ($000)
Paid-in Capital	2,383,347
Total Distributable Earnings (Loss)	(2,383,347)

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

	Amount ($000)
Undistributed Ordinary Income	125,166
Undistributed Long-Term Gains	—
Net Unrealized Gains (Losses)	25,530,773
Capital Loss Carryforwards	(3,701,282)
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	21,954,657

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2024 Amount ($000)	2023 Amount ($000)
Ordinary Income*	1,627,944	1,484,383
Long-Term Capital Gains	—	—
Total	1,627,944	1,484,383

* Includes short-term capital gains, if any.

As of January 31, 2024, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount ($000)
Tax Cost	62,339,881
Gross Unrealized Appreciation	26,896,786
Gross Unrealized Depreciation	(1,366,013)
Net Unrealized Appreciation (Depreciation)	25,530,773

F. During the year ended January 31, 2024, the fund purchased $17,940,809,000 of investment securities and sold $16,976,051,000 of investment securities, other than temporary cash investments. Purchases and sales include $6,674,424,000 and $6,116,591,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended January 31, 2024, such purchases were $1,209,563,000 and sales were $800,337,000, resulting in net realized loss of $143,903,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended January 31,			
	2024		2023	
	Amount ($000)	Shares (000)	Amount ($000)	Shares (000)
ETF Shares				
Issued	7,008,963	44,964	9,908,220	64,894
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(6,129,332)	(38,875)	(6,961,341)	(45,275)
Net Increase (Decrease)—ETF Shares	879,631	6,089	2,946,879	19,619
Admiral Shares				
Issued	1,767,035	40,614	1,662,170	40,062
Issued in Lieu of Cash Distributions	216,949	5,065	199,774	4,966
Redeemed	(1,804,561)	(41,568)	(1,774,545)	(43,189)
Net Increase (Decrease)—Admiral Shares	179,423	4,111	87,399	1,839

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

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

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

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

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Specialized Funds and Shareholders of Vanguard Dividend Appreciation Index Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vanguard Dividend Appreciation Index Fund (one of the funds constituting Vanguard Specialized Funds, referred to hereafter as the "Fund") as of January 31, 2024, the related statement of operations for the year ended January 31, 2024, the statement of changes in net assets for each of the two years in the period ended January 31, 2024, including the related notes, and the financial highlights for each of the five years in the period ended January 31, 2024 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of January 31, 2024, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended January 31, 2024 and the financial highlights for each of the five years in the period ended January 31, 2024 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of January 31, 2024 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 20, 2024

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

Tax information (unaudited)

For corporate shareholders, 96.3%, or if subsequently determined to be different, the maximum percentage allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction.

The fund hereby designates $1,627,944,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

The fund hereby designates $4,620,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

The “S&P U.S. Dividend Growers Index” is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates (“SPDJI”), and has been licensed for use by Vanguard. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC, a division of S&P Global (“S&P”) and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by Vanguard. Vanguard Dividend Appreciation Index Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or any of their respective affiliates (collectively, “S&P Dow Jones Indices”). S&P Dow Jones Indices make no representation or warranty, express or implied, to the owners of Vanguard Dividend Appreciation Index Fund or any member of the public regarding the advisability of investing in securities generally or in Vanguard Dividend Appreciation Index Fund particularly or the ability of the S&P U.S. Dividend Growers Index to track general market performance. S&P Dow Jones Indices’ only relationship to Vanguard with respect to the S&P U.S. Dividend Growers Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P U.S. Dividend Growers Index is determined, composed and calculated by S&P Dow Jones Indices without regard to Vanguard or Vanguard Dividend Appreciation Index Fund. S&P Dow Jones Indices have no obligation to take the needs of Vanguard or the owners of Vanguard Dividend Appreciation Index Fund into consideration in determining, composing or calculating the S&P U.S. Dividend Growers Index. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of Vanguard Dividend Appreciation Index Fund or the timing of the issuance or sale of Vanguard Dividend Appreciation Index Fund or in the determination or calculation of the equation by which Vanguard Dividend Appreciation Index Fund is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Vanguard Dividend Appreciation Index Fund. There is no assurance that investment products based on the S&P U.S. Dividend Growers Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE S&P U.S. DIVIDEND GROWERS INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY VANGUARD, OWNERS OF VANGUARD DIVIDEND APPRECIATION INDEX FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF 40 SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND VANGUARD, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 210 Vanguard funds.

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

Interested Trustee[1]

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

Independent Trustees

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

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

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

Mark Loughridge
Born in 1953. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: senior vice president and chief financial

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

officer (retired 2013) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

Scott C. Malpass
Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: co-founder and managing partner (2022–present) of Grafton Street Partners (investment advisory firm). Chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Chair of the board of Catholic Investment Services, Inc. (investment advisors). Member of the board of superintendence of the Institute for the Works of Religion, the Notre Dame 403(b) Investment Committee, and the board of directors of Paxos Trust Company (finance).

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

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

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

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

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

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

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

College (2001–2013). Member of the BMW Group Mobility Council.

Executive Officers

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

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

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

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

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

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

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

Vanguard Senior Management Team

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

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

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

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

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

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