

Annual Report | January 31, 2021

Vanguard Real Estate Index Funds

Vanguard Real Estate Index Fund

Vanguard Real Estate II Index Fund

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

Your Fund's Performance at a Glance

- For the 12 months ended January 31, 2021, returns for Vanguard Real Estate Index Fund ranged from -5.88% for Investor Shares to -5.68% for Institutional Shares. Vanguard Real Estate II Index Fund returned -5.70%. The results were in line with those of the funds' benchmark index.
- The emergence of COVID-19 in early 2020 turned into a global health crisis, and aggressive attempts to contain it resulted in a sharp downturn in economic activity. Unemployment spiked, and sectors where social distancing isn't possible were hit hard.
- Stocks initially plummeted as infections surged, but they finished the 12 months significantly higher, thanks in part to rapid and robust monetary and fiscal action by policymakers and the rollout of COVID-19 vaccines late in the period.
- Specialized real estate investment trusts (REITs), the funds' largest holding, contributed most to their returns. Retail, residential, and office REITs were the main detractors for both funds.
- For the 10 years ended January 31, 2021, average annual returns for the Real Estate Index Fund ranged from 8.18% for Investor Shares to 8.36% for Institutional Shares, in line with its benchmark's return. The Real Estate Index II Fund launched in 2017 and doesn't have a 10-year record.

Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2021		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	19.84%	12.48%	16.69%
Russell 2000 Index (Small-caps)	30.17	11.11	16.50
Russell 3000 Index (Broad U.S. market)	20.48	12.38	16.68
FTSE All-World ex US Index (International)	14.59	3.40	10.77
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	4.72%	5.49%	4.00%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	4.01	5.28	3.79
FTSE Three-Month U.S. Treasury Bill Index	0.45	1.53	1.16
CPI			
Consumer Price Index	1.40%	1.81%	2.00%

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, 2021

	Beginning Account Value 7/31/2020	Ending Account Value 1/31/2021	Expenses Paid During Period
Based on Actual Fund Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,068.30	\$1.35
ETF Shares	1,000.00	1,068.80	0.57
Admiral™ Shares	1,000.00	1,069.10	0.57
Institutional Shares	1,000.00	1,069.40	0.47
Real Estate II Index Fund	\$1,000.00	\$1,069.40	\$0.42
Based on Hypothetical 5% Yearly Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,023.88	\$1.32
ETF Shares	1,000.00	1,024.58	0.56
Admiral Shares	1,000.00	1,024.58	0.56
Institutional Shares	1,000.00	1,024.68	0.46
Real Estate II Index Fund	\$1,000.00	\$1,024.73	\$0.41

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Real Estate Index Fund, 0.26% for Investor Shares, 0.11% for ETF Shares, 0.11% for Admiral Shares, and 0.09% for Institutional Shares; and for the Real Estate II Index Fund, 0.08%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/366).

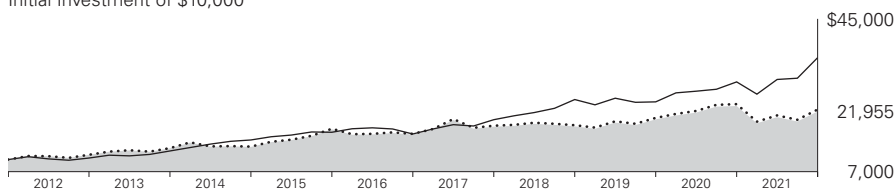
Real Estate Index Fund

Performance Summary

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

Cumulative Performance: January 31, 2011, Through January 31, 2021

Initial Investment of \$10,000



Average Annual Total Returns Periods Ended January 31, 2021

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund Investor Shares	-5.88%	6.23%	8.18%	\$21,955
Real Estate Spliced Index	-5.64	6.48	8.42	22,450
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.55	16.64	13.46	35,343

Real Estate Spliced Index: MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund ETF Shares Net Asset Value	-5.80%	6.37%	8.32%	\$22,240
Real Estate Index Fund ETF Shares Market Price	-5.85	6.38	8.32	22,233
Real Estate Spliced Index	-5.64	6.48	8.42	22,450
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.55	16.64	13.46	35,343

See Financial Highlights for dividend and capital gains information.

Real Estate Index Fund

	Average Annual Total Returns Periods Ended January 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Admiral Shares	-5.74%	6.38%	8.33%	\$22,264
Real Estate Spliced Index	-5.64	6.48	8.42	22,450
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.55	16.64	13.46	35,343

	Average Annual Total Returns Periods Ended January 31, 2021			Final Value of a \$5,000,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Institutional Shares	-5.68%	6.41%	8.36%	\$11,159,886
Real Estate Spliced Index	-5.64	6.48	8.42	11,225,120
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.55	16.64	13.46	17,671,413

Cumulative Returns of ETF Shares: January 31, 2011, Through January 31, 2021

	One Year	Five Years	Ten Years
Real Estate Index Fund ETF Shares Market Price	-5.85%	36.23%	122.33%
Real Estate Index Fund ETF Shares Net Asset Value	-5.80	36.16	122.40
Real Estate Spliced Index	-5.64	36.87	124.50

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

Real Estate Index Fund

Fund Allocation

As of January 31, 2021

Diversified Real Estate Activities	0.2%
Diversified REITs	3.6
Health Care REITs	8.8
Hotel & Resort REITs	3.1
Industrial REITs	11.0
Office REITs	7.5
Real Estate Development	0.3
Real Estate Operating Companies	0.2
Real Estate Services	3.5
Residential REITs	13.6
Retail REITs	9.3
Specialized REITs	38.9

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

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

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

Financial Statements

Schedule of Investments

As of January 31, 2021

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

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Equity Real Estate Investment Trusts (REITs) (96.1%)					
Diversified REITs (3.2%)					
WP Carey Inc.	7,776,388	516,352	Community Healthcare Trust Inc.	964,498	43,132
VEREIT Inc.	9,640,598	339,638	Diversified Healthcare Trust	10,628,958	42,728
STORE Capital Corp.	10,766,448	333,975	Universal Health Realty Income Trust	584,347	34,874
PS Business Parks Inc.	921,581	125,446	Global Medical REIT Inc.	1,967,643	24,674
Colony Capital Inc.	21,555,230	106,914	New Senior Investment Group Inc.	3,717,699	19,704
Essential Properties Realty Trust Inc.	4,157,789	86,565			4,757,563
Washington REIT	3,680,270	80,745	Hotel & Resort REITs (2.7%)		
Global Net Lease Inc.	3,999,761	64,436	Host Hotels & Resorts Inc.	31,531,814	427,256
Empire State Realty Trust Inc. Class A	6,533,622	64,422	MGM Growth Properties LLC Class A	5,878,402	183,112
American Assets Trust Inc.	2,284,536	63,122	Park Hotels & Resorts Inc.	10,535,382	175,730
iStar Inc.	3,360,261	51,009	Ryman Hospitality Properties Inc.	2,335,644	151,466
Alexander & Baldwin Inc.	3,076,276	46,513	Apple Hospitality REIT Inc.	9,481,586	118,330
Armada Hoffer Properties Inc.	2,587,655	27,817	Pebblebrook Hotel Trust	5,850,997	107,541
Gladstone Commercial Corp.	1,523,366	26,979	Sunstone Hotel Investors Inc.	9,639,918	103,147
One Liberty Properties Inc.	735,955	14,749	RLJ Lodging Trust	7,380,391	95,281
		1,948,682	Service Properties Trust	7,356,045	78,048
Health Care REITs (7.7%)			Xenia Hotels & Resorts Inc.	5,082,696	73,547
Welltower Inc.	18,659,538	1,130,768	* DiamondRock Hospitality Co.	8,916,297	73,114
Ventas Inc.	16,682,668	768,571	Summit Hotel Properties Inc.	4,730,220	38,315
Healthpeak Properties Inc.	24,071,319	713,715	Chatham Lodging Trust	2,103,034	22,523
Medical Properties Trust Inc.	25,640,709	541,275	CorePoint Lodging Inc.	1,817,455	12,377
Omega Healthcare Investors Inc.	10,149,089	367,600	* Hersha Hospitality Trust Class A	1,556,156	11,889
Healthcare Trust of America Inc. Class A	9,773,441	276,100			1,671,676
Healthcare Realty Trust Inc.	6,084,068	182,583	Industrial REITs (9.7%)		
Physicians Realty Trust	9,307,942	164,099	Prologis Inc.	33,033,488	3,409,056
Sabra Health Care REIT Inc.	9,191,874	154,332	Duke Realty Corp.	16,569,407	655,486
National Health Investors Inc.	1,996,460	129,450	Americold Realty Trust	9,103,671	317,809
CareTrust REIT Inc.	4,279,495	96,117	Rexford Industrial Realty Inc.	5,534,252	270,846
LTC Properties Inc.	1,755,712	67,841	EastGroup Properties Inc.	1,758,346	237,623

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
First Industrial Realty Trust Inc.	5,686,648	231,106	UDR Inc.	13,194,168	507,316
STAG Industrial Inc.	6,666,683	198,667	Equity LifeStyle Properties Inc.	7,737,708	470,762
Innovative Industrial Properties Inc.	970,522	181,604	Camden Property Trust	4,355,080	444,871
Terreno Realty Corp.	3,055,511	172,881	American Homes 4 Rent Class A	12,621,180	381,538
Lexington Realty Trust	12,375,630	126,850	* Apartment Income REIT Corp.	6,657,599	258,115
Monmouth Real Estate Investment Corp.	4,164,294	72,167	American Campus Communities Inc.	6,154,911	253,336
Industrial Logistics Properties Trust	2,916,068	61,850	Independence Realty Trust Inc.	4,238,884	56,292
		5,935,945	Centerspace	573,149	40,086
Office REITs (6.6%)			NexPoint Residential Trust Inc.	868,758	34,290
Alexandria Real Estate Equities Inc.	5,639,110	942,352	Apartment Investment & Management Co. Class A	6,660,101	30,570
Boston Properties Inc.	6,611,284	603,412	UMH Properties Inc.	1,665,426	24,482
Vornado Realty Trust	7,265,725	288,885	Preferred Apartment Communities Inc. Class A	2,257,410	16,231
Kilroy Realty Corp.	4,635,522	262,510			7,319,213
¹ SL Green Realty Corp.	3,275,568	221,035	Retail REITs (8.1%)		
Douglas Emmett Inc.	7,842,536	217,317	Simon Property Group Inc.	14,538,420	1,351,055
Cousins Properties Inc.	6,643,927	209,549	Realty Income Corp.	15,428,396	911,201
Highwoods Properties Inc.	4,645,818	174,172	Regency Centers Corp.	7,585,383	357,878
JBG SMITH Properties	5,384,142	160,771	Kimco Realty Corp.	19,340,432	319,311
Hudson Pacific Properties Inc.	6,857,382	160,737	National Retail Properties Inc.	7,758,778	302,592
Equity Commonwealth Corporate Office Properties Trust	5,016,094	131,773	Federal Realty Investment Trust	3,213,254	281,353
Piedmont Office Realty Trust Inc. Class A	5,633,019	86,636	Brixmor Property Group Inc.	13,258,310	224,463
Brandywine Realty Trust	7,624,310	83,867	Spirit Realty Capital Inc.	4,607,596	177,669
Easterly Government Properties Inc.	3,561,171	78,168	Agree Realty Corp.	2,408,143	152,195
Paramount Group Inc.	7,936,496	70,555	Weingarten Realty Investors	5,440,995	122,477
Columbia Property Trust Inc.	5,114,265	69,554	Retail Properties of America Inc. Class A	9,576,361	88,198
Mack-Cali Realty Corp.	4,056,754	51,642	¹ Macerich Co.	5,013,674	78,715
Office Properties Income Trust	2,156,930	49,911	SITE Centers Corp.	6,906,640	76,595
Franklin Street Properties Corp.	4,806,670	19,755	Retail Opportunity Investments Corp.	5,269,952	74,254
City Office REIT Inc.	1,942,682	18,300	Urban Edge Properties	5,214,774	71,912
^{*.2} New York REIT Liquidating LLC	1,208	15	¹ Tanger Factory Outlet Centers Inc.	4,178,433	64,473
		4,055,857	Kite Realty Group Trust	3,767,825	60,059
Other (12.0%)³			Acadia Realty Trust	3,859,599	55,964
^{4.5} Vanguard Real Estate II Index Fund	360,944,844	7,399,530	Getty Realty Corp.	1,592,818	42,321
Residential REITs (11.9%)			American Finance Trust Inc. Class A	4,848,399	35,296
AvalonBay Communities Inc.	6,293,344	1,030,032	RPT Realty	3,622,374	33,507
Equity Residential	16,643,445	1,025,902	Alexander's Inc.	102,892	27,493
Invitation Homes Inc.	25,064,721	738,908	^{*.1} Seritage Growth Properties Class A	1,246,888	22,207
Essex Property Trust Inc.	2,915,878	698,674	Saul Centers Inc.	623,895	18,673
Mid-America Apartment Communities Inc.	5,113,831	678,861	Urstadt Biddle Properties Inc. Class A	1,328,941	18,379
Sun Communities Inc.	4,394,239	628,947	Whitestone REIT	1,701,182	13,269

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
¹ Washington Prime Group Inc.	932,611	13,150	Real Estate Development (0.3%)		
Retail Value Inc.	812,201	12,678	* Howard Hughes Corp.	1,843,057	158,816
^{*.2} Spirit MTA REIT	2,071,263	554	* Forestar Group Inc.	752,758	16,177
Urstadt Biddle Properties Inc.	16,033	192			174,993
		5,008,083	Real Estate Operating Companies (0.2%)		
Specialized REITs (34.2%)			Kennedy-Wilson Holdings Inc.	5,772,527	99,230
American Tower Corp.	19,833,871	4,509,429	* FRP Holdings Inc.	277,274	11,975
Crown Castle International Corp.	19,285,185	3,071,359			111,205
Equinix Inc.	3,959,759	2,930,063	Real Estate Services (3.1%)		
Digital Realty Trust Inc.	12,027,892	1,731,415	* CBRE Group Inc. Class A	14,992,474	914,241
Public Storage	7,034,525	1,601,199	* Jones Lang LaSalle Inc.	2,315,623	338,567
SBA Communications Corp. Class A	5,005,249	1,344,760	* Redfin Corp.	3,876,063	276,015
Weyerhaeuser Co.	33,369,231	1,040,786	* eXp World Holdings Inc.	1,225,361	130,611
Extra Space Storage Inc.	5,771,241	656,709	* Realogy Holdings Corp.	5,159,209	73,261
VICI Properties Inc.	23,863,088	603,259	^{*.1} Cushman & Wakefield plc	4,934,981	70,718
¹ Iron Mountain Inc.	12,884,208	433,811	Newmark Group Inc. Class A	6,703,999	45,319
Gaming & Leisure Properties Inc.	9,482,753	390,026	* Marcus & Millichap Inc. RE/MAX Holdings Inc. Class A	1,054,591	37,681
CyrusOne Inc.	5,225,301	381,186	* Altisource Portfolio Solutions SA	809,171	29,308
Lamar Advertising Co. Class A	3,863,104	312,061		248,265	2,515
CubeSmart	8,662,145	301,789			1,918,236
Life Storage Inc.	3,146,282	256,674	Total Real Estate Management & Development (Cost \$2,115,832)		
CoreSite Realty Corp.	1,901,494	255,637			2,324,562
Rayonier Inc.	6,104,800	187,723			
QTS Realty Trust Inc. Class A	2,741,579	178,477			
PotlatchDeltic Corp.	2,990,319	142,818			
EPR Properties	3,335,948	132,237			
Outfront Media Inc.	6,456,684	117,705			
National Storage Affiliates Trust	3,075,418	112,376			
Uniti Group Inc.	8,245,420	101,501			
Four Corners Property Trust Inc.	3,143,833	82,871			
¹ GEO Group Inc.	5,425,762	48,506			
¹ Safehold Inc.	570,804	42,000			
CatchMark Timber Trust Inc. Class A	2,181,376	19,894			
		20,986,271			
Total Equity Real Estate Investment Trusts (REITs) (Cost \$54,797,767)		59,082,820			
Real Estate Management & Development (3.8%)					
Diversified Real Estate Activities (0.2%)					
St. Joe Co.	1,448,962	64,479			
RMR Group Inc. Class A	683,589	25,211			
* Tejon Ranch Co.	995,662	15,861			
* Five Point Holdings LLC Class A	2,313,879	14,577			
		120,128			

Real Estate Index Fund

	Shares	Market Value* (\$000)
Temporary Cash Investments (0.6%)		
Money Market Fund (0.6%)		
6,7 Vanguard Market Liquidity Fund, 0.107% (Cost \$353,639)	3,537,135	353,714
Total Investments (100.5%) (Cost \$57,267,238)		61,761,096
Other Assets and Liabilities—Net (-0.5%)		(329,923)
Net Assets (100%)		61,431,173

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 \$158,271,000.

2 Security value determined using significant unobservable inputs.

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

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

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

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

7 Collateral of \$180,031,000 was received for securities on loan, of which \$178,498,000 is held in Vanguard Market Liquidity Fund and \$1,533,000 is held in cash.

REIT—Real Estate Investment Trust.

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Redfin Corp.	2/2/22	GSI	24,924	(0.120)	—	—
Seritage Growth Properties	2/2/22	GSI	7,053	(0.120)	—	—
					—	—

1 Based on 1M USD London Interbank Offered Rate (LIBOR) as of the most recent payment date. Floating interest payment received/paid monthly.

1M—1-month.

GSI—Goldman Sachs International.

At January 31, 2021, the counterparties had deposited in segregated accounts securities with a value of \$6,232,000 in connection with open over-the-counter swap contracts.

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

Statement of Assets and Liabilities

As of January 31, 2021

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$50,011,001)	54,007,852
Affiliated Issuers (Cost \$353,639)	353,714
Vanguard Real Estate II Index Fund (Cost \$6,902,598)	7,399,530
Total Investments in Securities	61,761,096
Investment in Vanguard	2,026
Cash	1,533
Receivables for Investment Securities Sold	79,898
Receivables for Accrued Income	50,314
Receivables for Capital Shares Issued	34,702
Total Assets	61,929,569
Liabilities	
Due to Custodian	76,627
Payables for Investment Securities Purchased	202,193
Collateral for Securities on Loan	180,031
Payables for Capital Shares Redeemed	37,830
Payables to Vanguard	1,715
Total Liabilities	498,396
Net Assets	61,431,173

At January 31, 2021, net assets consisted of:

(\$000s, except shares and per-share amounts)	Amount
Paid-in Capital	59,473,564
Total Distributable Earnings (Loss)	1,957,609
Net Assets	61,431,173
<hr/>	
Investor Shares—Net Assets	
Applicable to 6,648,554 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	187,676
Net Asset Value Per Share—Investor Shares	\$28.23
<hr/>	
ETF Shares—Net Assets	
Applicable to 377,418,490 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	32,064,085
Net Asset Value Per Share—ETF Shares	\$84.96
<hr/>	
Admiral Shares—Net Assets	
Applicable to 163,631,114 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	19,701,837
Net Asset Value Per Share—Admiral Shares	\$120.40
<hr/>	
Institutional Shares—Net Assets	
Applicable to 508,580,470 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	9,477,575
Net Asset Value Per Share—Institutional Shares	\$18.64

Statement of Operations

Year Ended
January 31, 2021

(\$'000)

Investment Income	
Income	
Dividends—Unaffiliated Issuers	1,246,865
Dividends—Affiliated Issuers	1,380
Dividends—Vanguard Real Estate II Index Fund	163,444
Interest—Unaffiliated Issuers	—
Interest—Affiliated Issuers	651
Securities Lending—Net	7,817
Total Income	1,420,157
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	2,729
Management and Administrative—Investor Shares	448
Management and Administrative—ETF Shares	30,168
Management and Administrative—Admiral Shares	19,713
Management and Administrative—Institutional Shares	7,559
Marketing and Distribution—Investor Shares	25
Marketing and Distribution—ETF Shares	1,423
Marketing and Distribution—Admiral Shares	1,045
Marketing and Distribution—Institutional Shares	271
Custodian Fees	332
Auditing Fees	39
Shareholders' Reports—Investor Shares	7
Shareholders' Reports—ETF Shares	931
Shareholders' Reports—Admiral Shares	275
Shareholders' Reports—Institutional Shares	95
Trustees' Fees and Expenses	29
Total Expenses	65,089
Expenses Paid Indirectly	(204)
Net Expenses	64,885
Net Investment Income	1,355,272
Realized Net Gain (Loss)	
Capital Gain Distributions Received—Unaffiliated Issuers	454,854
Capital Gain Distributions Received—Affiliated Issuers	6,418
Capital Gain Distributions Received—Vanguard Real Estate II Index Fund	—
Investment Securities Sold—Unaffiliated Issuers ¹	604,279
Investment Securities Sold—Affiliated Issuers ¹	(46,775)
Investment Securities Sold—Vanguard Real Estate II Index Fund	—
Futures Contracts	(3,901)

Statement of Operations (continued)

	Year Ended January 31, 2021
	(\$000)
Swap Contracts	45,925
Realized Net Gain (Loss)	1,060,800
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers	(7,111,833)
Investment Securities—Affiliated Issuers	(76,047)
Investment Securities—Vanguard Real Estate II Index Fund	(611,535)
Swap Contracts	1,451
Change in Unrealized Appreciation (Depreciation)	(7,797,964)
Net Increase (Decrease) in Net Assets Resulting from Operations	(5,381,892)

¹ Includes \$2,132,105,000 of the net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2021	2020
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,355,272	1,726,391
Realized Net Gain (Loss)	1,060,800	2,458,391
Change in Unrealized Appreciation (Depreciation)	(7,797,964)	5,911,672
Net Increase (Decrease) in Net Assets Resulting from Operations	(5,381,892)	10,096,454
Distributions¹		
Net Investment Income		
Investor Shares	(4,393)	(22,650)
ETF Shares	(714,428)	(921,879)
Admiral Shares	(458,678)	(554,006)
Institutional Shares	(213,294)	(244,373)
Return of Capital		
Investor Shares	(3,129)	(7,475)
ETF Shares	(508,885)	(304,249)
Admiral Shares	(326,715)	(182,839)
Institutional Shares	(151,929)	(80,651)
Total Distributions	(2,381,451)	(2,318,122)
Capital Share Transactions		
Investor Shares	(29,761)	(1,748,144)
ETF Shares	(1,176,383)	2,721,882
Admiral Shares	(1,182,290)	2,583,346
Institutional Shares	356,671	734,197
Net Increase (Decrease) from Capital Share Transactions	(2,031,763)	4,291,281
Total Increase (Decrease)	(9,795,106)	12,069,613
Net Assets		
Beginning of Period	71,226,279	59,156,666
End of Period	61,431,173	71,226,279

1 Certain prior-period numbers have been reclassified to conform with the current-period presentation.

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$31.21	\$27.69	\$26.40	\$27.38	\$25.59
Investment Operations					
Net Investment Income	.586 ¹	.719 ¹	.787 ¹	.761 ¹	.746
Net Realized and Unrealized Gain (Loss) on Investments	(2.498)	3.801	1.639	(.614)	2.324
Total from Investment Operations	(1.912)	4.520	2.426	.147	3.070
Distributions					
Dividends from Net Investment Income	(.624)	(.752)	(.851)	(.788)	(.752)
Distributions from Realized Capital Gains	—	—	—	(.011)	(.187)
Return of Capital	(.444)	(.248)	(.285)	(.328)	(.341)
Total Distributions	(1.068)	(1.000)	(1.136)	(1.127)	(1.280)
Net Asset Value, End of Period	\$28.23	\$31.21	\$27.69	\$26.40	\$27.38

Total Return²	-5.88%	16.59%	9.53%	0.45%	12.07%
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Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$188	\$243	\$1,871	\$2,143	\$2,603
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.25%	0.26%	0.26%
Ratio of Net Investment Income to Average Net Assets	2.18%	2.48%	3.02%	2.87%	2.60%
Portfolio Turnover Rate ³	8%	6%	24%	6%	7%

1 Calculated based on average shares outstanding.

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

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

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$93.93	\$83.36	\$79.47	\$82.43	\$77.05
Investment Operations					
Net Investment Income	1.889 ¹	2.335 ¹	2.487 ¹	2.499 ¹	2.334
Net Realized and Unrealized Gain (Loss) on Investments	(7.525)	11.379	4.934	(1.945)	7.022
Total from Investment Operations	(5.636)	13.714	7.421	.554	9.356
Distributions					
Dividends from Net Investment Income	(1.947)	(2.364)	(2.646)	(2.458)	(2.353)
Distributions from Realized Capital Gains	—	—	—	(.034)	(.563)
Return of Capital	(1.387)	(.780)	(.885)	(1.022)	(1.060)
Total Distributions	(3.334)	(3.144)	(3.531)	(3.514)	(3.976)
Net Asset Value, End of Period	\$84.96	\$93.93	\$83.36	\$79.47	\$82.43

Total Return	-5.80%	16.70%	9.70%	0.59%	12.25%
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Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$32,064	\$37,682	\$30,857	\$32,377	\$33,527
Ratio of Total Expenses to Average Net Assets	0.12%	0.12%	0.12%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	2.33%	2.60%	3.15%	3.01%	2.74%
Portfolio Turnover Rate ²	8%	6%	24%	6%	7%

1 Calculated based on average shares outstanding.

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

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$133.12	\$118.14	\$112.63	\$116.83	\$109.19
Investment Operations					
Net Investment Income	2.677 ¹	3.315 ¹	3.507 ¹	3.538 ¹	3.306
Net Realized and Unrealized Gain (Loss) on Investments	(10.672)	16.121	7.008	(2.761)	9.966
Total from Investment Operations	(7.995)	19.436	10.515	.777	13.272
Distributions					
Dividends from Net Investment Income	(2.759)	(3.350)	(3.751)	(3.483)	(3.333)
Distributions from Realized Capital Gains	—	—	—	(.048)	(.798)
Return of Capital	(1.966)	(1.106)	(1.254)	(1.447)	(1.501)
Total Distributions	(4.725)	(4.456)	(5.005)	(4.978)	(5.632)
Net Asset Value, End of Period	\$120.40	\$133.12	\$118.14	\$112.63	\$116.83
Total Return²	-5.74%	16.73%	9.69%	0.58%	12.23%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$19,702	\$23,274	\$18,223	\$17,757	\$18,337
Ratio of Total Expenses to Average Net Assets	0.12%	0.12%	0.11%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	2.33%	2.60%	3.16%	3.01%	2.74%
Portfolio Turnover Rate ³	8%	6%	24%	6%	7%

1 Calculated based on average shares outstanding.

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

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

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$20.60	\$18.28	\$17.43	\$18.08	\$16.90
Investment Operations					
Net Investment Income	.421 ¹	.518 ¹	.543 ¹	.568 ¹	.515
Net Realized and Unrealized Gain (Loss) on Investments	(1.646)	2.496	1.085	(.444)	1.540
Total from Investment Operations	(1.225)	3.014	1.628	.124	2.055
Distributions					
Dividends from Net Investment Income	(.429)	(.522)	(.583)	(.542)	(.519)
Distributions from Realized Capital Gains	—	—	—	(.007)	(.123)
Return of Capital	(.306)	(.172)	(.195)	(.225)	(.233)
Total Distributions	(.735)	(.694)	(.778)	(.774)	(.875)
Net Asset Value, End of Period	\$18.64	\$20.60	\$18.28	\$17.43	\$18.08
Total Return	-5.68%	16.77%	9.70%	0.60%	12.23%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$9,478	\$10,027	\$8,206	\$8,176	\$7,799
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.09%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.37%	2.63%	3.18%	3.03%	2.76%
Portfolio Turnover Rate ²	8%	6%	24%	6%	7%

1 Calculated based on average shares outstanding.

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

Notes to Financial Statements

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

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

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

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

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

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

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

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

During the year ended January 31, 2021, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at January 31, 2021.

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

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

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

During the year ended January 31, 2021, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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

5. **Distributions:** Distributions to shareholders are recorded on the ex-dividend date. The portion of distributions that exceed a fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

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

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

For the year ended January 31, 2021, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Distributions received from investment securities are recorded on the ex-dividend date. Non-cash dividends included in dividend income, if any, are recorded at the fair value of the securities received. Each investment security reports annually the tax character of its distributions. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain, and return of capital reported by the investment securities, and management's estimates of such amounts for investment security distributions for which actual information has not been reported. Income, capital gain, and return of capital distributions received from affiliated Vanguard funds are recorded on ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2021, the fund had contributed to Vanguard capital in the amount of \$2,026,000, representing less than 0.01% of the fund's net assets and 0.81% 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, 2021, custodian fee offset arrangements reduced the fund's expenses by \$204,000 (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, 2021, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	61,406,813	—	569	61,407,382
Temporary Cash Investments	353,714	—	—	353,714
Total	61,760,527	—	569	61,761,096
Derivative Financial Instruments				
Assets				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	2,137,973
Total Distributable Earnings (Loss)	(2,137,973)

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the deferral of losses from wash sales; and the

Real Estate Index Fund

classification of securities for tax purposes. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	—
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(2,472,556)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	4,333,696

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	1,390,793	1,742,908
Long-Term Capital Gains	—	—
Return of Capital	990,658	575,214
Total	2,381,451	2,318,122

* Includes short-term capital gains, if any.

As of January 31, 2021, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	57,427,400
Gross Unrealized Appreciation	10,849,531
Gross Unrealized Depreciation	(6,515,835)
Net Unrealized Appreciation (Depreciation)	4,333,696

F. During the year ended January 31, 2021, the fund purchased \$12,507,494,000 of investment securities and sold \$14,453,946,000 of investment securities, other than temporary cash investments. Purchases and sales include \$8,100,287,000 and \$9,386,227,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

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

	Year Ended January 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	16,000	586	395,906	13,631
Issued in Lieu of Cash Distributions	7,522	282	28,280	981
Redeemed ¹	(53,283)	(2,013)	(2,172,330)	(74,391)
Net Increase (Decrease)—Investor Shares	(29,761)	(1,145)	(1,748,144)	(59,779)
ETF Shares				
Issued	8,299,471	100,643	10,501,566	118,494
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(9,475,854)	(124,400)	(7,779,684)	(87,500)
Net Increase (Decrease)—ETF Shares	(1,176,383)	(23,757)	2,721,882	30,994
Admiral Shares				
Issued ¹	3,229,939	28,465	5,327,904	42,120
Issued in Lieu of Cash Distributions	688,666	6,053	647,759	5,156
Redeemed	(5,100,895)	(45,719)	(3,392,317)	(26,697)
Net Increase (Decrease)—Admiral Shares	(1,182,290)	(11,201)	2,583,346	20,579
Institutional Shares				
Issued	1,959,562	112,493	2,004,257	102,367
Issued in Lieu of Cash Distributions	343,567	19,520	306,680	15,790
Redeemed	(1,946,458)	(110,090)	(1,576,740)	(80,293)
Net Increase (Decrease)—Institutional Shares	356,671	21,923	734,197	37,864

¹ In November 2018, the fund announced changes to the availability and minimum investment criteria of the Investor and Admiral share classes. As a result, all of the outstanding Investor Shares automatically converted to Admiral Shares beginning in April 2019, with the exception of those held by Vanguard funds and certain other institutional investors. Investor Shares—Redeemed and Admiral Shares—Issued include 57,968,000 and 13,589,000 shares, respectively, in the amount of \$1,688,895,000 from the conversion during the year ended January 31, 2020.

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

	Current Period Transactions							
	Jan. 31, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold ¹ (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Jan. 31, 2021 Market Value (\$000)
City Office REIT Inc.	NA ²	3,574	10,735	(3,318)	(7,225)	1,018	—	NA ²
Host Hotels & Resorts Inc.	586,395	79,820	126,471	(42,789)	(69,699)	362	6,418	NA ³

Real Estate Index Fund

	Current Period Transactions							
	Jan. 31, 2020 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold ¹ (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	Jan. 31, 2021 Market Value (\$000)
Vanguard Market Liquidity Fund	561,293	NA ⁴	NA ⁴	202	7	651	—	353,714
Vanguard Real Estate II Index Fund	7,847,621	282,501	—	—	(611,535)	163,444	—	7,399,530
Winthrop Realty Trust	—	—	—	(870)	870	—	—	—
Total	8,995,309	365,895	137,206	(46,775)	(687,582)	165,475	6,418	7,753,244

1 Does not include adjustments related to return of capital.

2 Not applicable—at January 31, 2020, and January 31, 2021, the issuer was not an affiliated company of the fund, but it was affiliated during the period.

3 Not applicable—at January 31, 2021, the security was still held, but the issuer was no longer an affiliated company of the fund.

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

I. Management has determined that no events or transactions occurred subsequent to January 31, 2021, that would require recognition or disclosure in these financial statements.

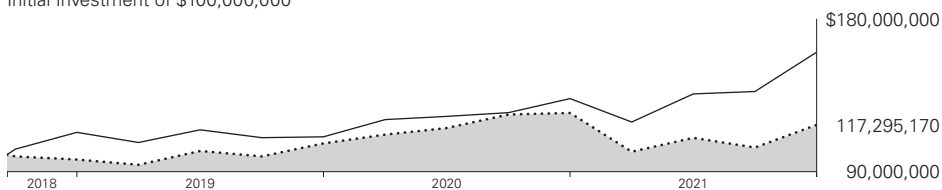
Real Estate II Index Fund

Performance Summary

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

Cumulative Performance: September 26, 2017, Through January 31, 2021

Initial Investment of \$100,000,000



Average Annual Total Returns Periods Ended January 31, 2021

	One Year	Since Inception (9/26/2017)	Final Value of a \$100,000,000 Investment
Real Estate II Index Fund	-5.70%	4.88%	\$117,295,170
Real Estate Spliced Index	-5.64	4.95	117,542,030
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.55	15.15	160,368,680

Real Estate Spliced Index: MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

"Since Inception" performance is calculated from the fund's inception date for both the fund and its comparative standard(s).

See Financial Highlights for dividend and capital gains information.

Real Estate II Index Fund

Fund Allocation

As of January 31, 2021

Diversified Real Estate Activities	0.2%
Diversified REITs	3.6
Health Care REITs	8.8
Hotel & Resort REITs	3.1
Industrial REITs	11.0
Office REITs	7.5
Real Estate Development	0.3
Real Estate Operating Companies	0.2
Real Estate Services	3.6
Residential REITs	13.6
Retail REITs	9.3
Specialized REITs	38.8

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

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

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

Financial Statements

Schedule of Investments

As of January 31, 2021

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (95.7%)			Community Healthcare Trust Inc.	132,287	5,916
Diversified REITs (3.6%)			Diversified Healthcare Trust	1,458,587	5,863
WP Carey Inc.	1,064,829	70,705	Universal Health Realty Income Trust	80,039	4,777
VEREIT Inc.	1,320,000	46,504	Global Medical REIT Inc.	268,854	3,371
STORE Capital Corp.	1,474,190	45,729	New Senior Investment Group Inc.	507,480	2,690
PS Business Parks Inc.	126,227	17,182			651,459
Colony Capital Inc.	2,953,936	14,651	Hotel & Resort REITs (3.1%)		
Essential Properties Realty Trust Inc.	569,695	11,861	Host Hotels & Resorts Inc.	4,318,180	58,511
Washington REIT	503,853	11,055	MGM Growth Properties LLC Class A	804,907	25,073
Global Net Lease Inc.	547,834	8,826	Park Hotels & Resorts Inc.	1,442,235	24,056
Empire State Realty Trust Inc. Class A	893,708	8,812	Ryman Hospitality Properties Inc.	319,817	20,740
American Assets Trust Inc.	312,481	8,634	Apple Hospitality REIT Inc.	1,298,639	16,207
iStar Inc.	460,413	6,989	Pebblebrook Hotel Trust	801,471	14,731
Alexander & Baldwin Inc.	421,126	6,367	Sunstone Hotel Investors Inc.	1,320,381	14,128
Armada Hoffer Properties Inc.	354,455	3,810	RLJ Lodging Trust	1,010,033	13,040
Gladstone Commercial Corp.	207,978	3,683	Service Properties Trust	1,006,924	10,683
One Liberty Properties Inc.	100,588	2,016	Xenia Hotels & Resorts Inc.	696,454	10,078
		266,824	* DiamondRock Hospitality Co.	1,222,304	10,023
Health Care REITs (8.8%)			Summit Hotel Properties Inc.	648,125	5,250
Welltower Inc.	2,555,061	154,837	Chatham Lodging Trust	287,089	3,075
Ventas Inc.	2,284,346	105,240	CorePoint Lodging Inc.	250,670	1,707
Healthpeak Properties Inc.	3,296,041	97,728	* Hersha Hospitality Trust Class A	213,498	1,631
Medical Properties Trust Inc.	3,510,923	74,116			228,933
Omega Healthcare Investors Inc.	1,389,735	50,336	Industrial REITs (11.0%)		
Healthcare Trust of America Inc. Class A	1,338,160	37,803	Prologis Inc.	4,523,346	466,809
Healthcare Realty Trust Inc.	833,022	24,999	Duke Realty Corp.	2,268,876	89,757
Physicians Realty Trust	1,274,450	22,468	Americold Realty Trust	1,246,757	43,524
Sabra Health Care REIT Inc.	1,258,660	21,133	Rexford Industrial Realty Inc.	757,917	37,093
National Health Investors Inc.	273,398	17,727	EastGroup Properties Inc.	240,826	32,545
CareTrust REIT Inc.	586,160	13,165	First Industrial Realty Trust Inc.	778,865	31,653
LTC Properties Inc.	240,428	9,290	STAG Industrial Inc.	913,199	27,213

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Innovative Industrial Properties Inc.	132,862	24,861	Independence Realty Trust Inc.	580,459	7,708
Terreno Realty Corp.	418,341	23,670	Centerspace	78,623	5,499
Lexington Realty Trust	1,694,986	17,374	NexPoint Residential Trust Inc.	119,161	4,703
Monmouth Real Estate Investment Corp.	569,959	9,877	Apartment Investment & Management Co. Class A	913,050	4,191
Industrial Logistics Properties Trust	398,968	8,462	UMH Properties Inc. Preferred Apartment Communities Inc. Class A	227,765	3,348
		812,838		307,766	2,213
Office REITs (75%)					1,002,209
Alexandria Real Estate Equities Inc.	772,171	129,038	Retail REITs (9.3%)		
Boston Properties Inc.	905,272	82,624	Simon Property Group Inc.	1,990,758	185,001
Vornado Realty Trust	994,843	39,555	Realty Income Corp.	2,112,622	124,772
Kilroy Realty Corp.	634,710	35,944	Regency Centers Corp.	1,038,618	49,002
SL Green Realty Corp.	448,531	30,267	Kimco Realty Corp.	2,648,104	43,720
Douglas Emmett Inc.	1,073,823	29,756	National Retail Properties Inc.	1,062,561	41,440
Cousins Properties Inc.	909,670	28,691	Federal Realty Investment Trust	439,970	38,524
Highwoods Properties Inc.	636,153	23,849	Brixmor Property Group Inc.	1,815,254	30,732
JBG SMITH Properties	737,273	22,015	Spirit Realty Capital Inc.	630,942	24,329
Hudson Pacific Properties Inc.	938,996	22,010	Agree Realty Corp.	329,720	20,838
Equity Commonwealth Corporate Office Properties Trust	744,045	21,213	Weingarten Realty Investors	745,311	16,777
Piedmont Office Realty Trust Inc. Class A	771,736	11,869	Retail Properties of America Inc. Class A	1,312,382	12,087
Brandywine Realty Trust	1,043,953	11,483	Macerich Co.	686,163	10,773
Easterly Government Properties Inc.	487,561	10,702	SITE Centers Corp.	945,395	10,485
Paramount Group Inc.	1,085,866	9,653	Retail Opportunity Investments Corp.	722,004	10,173
Columbia Property Trust Inc.	701,104	9,535	Urban Edge Properties	714,238	9,849
Mack-Cali Realty Corp.	556,114	7,079	Tanger Factory Outlet Centers Inc.	573,053	8,842
Office Properties Income Trust	295,332	6,834	Kite Realty Group Trust	515,665	8,220
Franklin Street Properties Corp.	655,711	2,695	Acadia Realty Trust	528,225	7,659
City Office REIT Inc.	265,698	2,503	Getty Realty Corp.	218,344	5,801
		555,362	American Finance Trust Inc. Class A	664,218	4,836
Residential REITs (13.6%)			RPT Realty	496,542	4,593
AvalonBay Communities Inc.	861,751	141,043	*.1 Seritage Growth Properties Class A	225,179	4,011
Equity Residential	2,278,996	140,477	Alexander's Inc.	14,079	3,762
Invitation Homes Inc.	3,431,993	101,175	Saul Centers Inc.	85,071	2,546
Essex Property Trust Inc.	399,271	95,669	Urstadt Biddle Properties Inc. Class A	183,869	2,543
Mid-America Apartment Communities Inc.	700,231	92,956	Whitestone REIT	232,860	1,816
Sun Communities Inc.	601,697	86,121	1 Washington Prime Group Inc.	126,788	1,788
UDR Inc.	1,806,645	69,466	Retail Value Inc.	111,172	1,735
Equity LifeStyle Properties Inc.	1,059,531	64,462	*.2 Spirit MTA REIT	257,871	69
Camden Property Trust	596,339	60,916			686,723
American Homes 4 Rent Class A	1,728,101	52,240	Specialized REITs (38.8%)		
* Apartment Income REIT Corp.	911,444	35,337	American Tower Corp.	2,715,909	617,489
American Campus Communities Inc.	842,681	34,685	Crown Castle International Corp.	2,640,784	420,571
			Equinix Inc.	542,219	401,221

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Digital Realty Trust Inc.	1,647,013	237,088	Real Estate Operating Companies (0.2%)		
Public Storage	963,262	219,258	Kennedy-Wilson Holdings Inc.	790,162	13,583
SBA Communications Corp. Class A	685,381	184,141	* FRP Holdings Inc.	38,205	1,650
Weyerhaeuser Co.	4,569,228	142,514			15,233
Extra Space Storage Inc.	790,269	89,925	Real Estate Services (3.6%)		
VICI Properties Inc.	3,267,552	82,604	* CBRE Group Inc. Class A	2,052,828	125,181
Iron Mountain Inc.	1,764,325	59,405	* Jones Lang LaSalle Inc.	317,037	46,354
Gaming & Leisure Properties Inc.	1,298,442	53,405	* Redfin Corp.	578,606	41,203
CyrusOne Inc.	715,601	52,203	* eXp World Holdings Inc.	167,849	17,891
Lamar Advertising Co. Class A	528,941	42,728	* Realogy Holdings Corp.	707,082	10,041
CubeSmart	1,186,283	41,330	* Cushman & Wakefield plc Newmark Group Inc. Class A	675,727	9,683
Life Storage Inc.	430,905	35,153	* Marcus & Millichap Inc. RE/MAX Holdings Inc. Class A	144,369	5,158
CoreSite Realty Corp.	260,429	35,012	* Altisource Portfolio Solutions SA	111,000	4,020
Rayonier Inc.	835,880	25,703		32,956	334
QTS Realty Trust Inc. Class A	375,353	24,436			266,082
PotlatchDeltic Corp.	409,457	19,556	Total Real Estate Management & Development (Cost \$278,942)		
EPR Properties	456,886	18,111			321,725
Outfront Media Inc.	884,304	16,121	Temporary Cash Investments (0.4%)		
National Storage Affiliates Trust	421,327	15,395	Money Market Fund (0.4%)		
Uniti Group Inc.	1,128,610	13,893	^{3,4} Vanguard Market Liquidity Fund, 0.107% (Cost \$30,303)	303,080	30,308
Four Corners Property Trust Inc.	430,547	11,349			
¹ GEO Group Inc.	743,430	6,646	Total Investments (100.4%) (Cost \$6,885,216)		
Safehold Inc.	78,204	5,754			7,430,106
CatchMark Timber Trust Inc. Class A	297,580	2,714	Other Assets and Liabilities—Net (-0.4%)		
		2,873,725			(30,576)
Total Equity Real Estate Investment Trusts (REITs) (Cost \$6,575,971)		7,078,073	Net Assets (100%)		
Real Estate Management & Development (4.3%)					7,399,530
Diversified Real Estate Activities (0.2%)			Cost is in \$000.		
St. Joe Co.	198,409	8,829	• See Note A in Notes to Financial Statements.		
RMR Group Inc. Class A	93,865	3,462	* Non-income-producing security.		
* Tejon Ranch Co.	136,121	2,168	¹ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$20,576,000.		
* Five Point Holdings LLC Class A	315,520	1,988	² Security value determined using significant unobservable inputs.		
		16,447	³ Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
Real Estate Development (0.3%)			⁴ Collateral of \$23,678,000 was received for securities on loan. REIT—Real Estate Investment Trust.		
* Howard Hughes Corp.	252,404	21,750			
* Forestar Group Inc.	102,966	2,213			
		23,963			

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

Statement of Assets and Liabilities

As of January 31, 2021

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$6,854,913)	7,399,798
Affiliated Issuers (Cost \$30,303)	30,308
Total Investments in Securities	7,430,106
Investment in Vanguard	282
Receivables for Investment Securities Sold	7,865
Receivables for Accrued Income	6,962
Total Assets	7,445,215
Liabilities	
Due to Custodian	7,305
Payables for Investment Securities Purchased	14,555
Collateral for Securities on Loan	23,678
Payables to Vanguard	147
Total Liabilities	45,685
Net Assets	7,399,530

At January 31, 2021, net assets consisted of:

Paid-in Capital	6,902,425
Total Distributable Earnings (Loss)	497,105
Net Assets	7,399,530

Net Assets	
Applicable to 360,944,844 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	7,399,530
Net Asset Value Per Share	\$20.50

Statement of Operations

Year Ended
January 31, 2021

(\$000)

Investment Income	
Income	
Dividends	170,435
Interest ¹	54
Securities Lending—Net	969
Total Income	171,458
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,037
Management and Administrative	4,323
Marketing and Distribution	44
Custodian Fees	30
Auditing Fees	44
Shareholders' Reports	—
Trustees' Fees and Expenses	3
Total Expenses	5,481
Net Investment Income	165,977
Realized Net Gain (Loss)	
Capital Gain Distributions Received	61,526
Investment Securities Sold ¹	(69,498)
Futures Contracts	(521)
Swap Contracts	(1,198)
Realized Net Gain (Loss)	(9,691)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	(604,438)
Swap Contracts	61
Change in Unrealized Appreciation (Depreciation)	(604,377)
Net Increase (Decrease) in Net Assets Resulting from Operations	(448,091)

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$54,000, \$39,000, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2021 (\$000)	2020 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	165,977	193,741
Realized Net Gain (Loss)	(9,691)	31,455
Change in Unrealized Appreciation (Depreciation)	(604,377)	902,961
Net Increase (Decrease) in Net Assets Resulting from Operations	(448,091)	1,128,157
Distributions¹		
Net Investment Income	(163,444)	(199,690)
Return of Capital	(119,057)	(65,435)
Total Distributions	(282,501)	(265,125)
Capital Share Transactions		
Issued	—	—
Issued in Lieu of Cash Distributions	282,501	265,125
Redeemed	—	—
Net Increase (Decrease) from Capital Share Transactions	282,501	265,125
Total Increase (Decrease)	(448,091)	1,128,157
Net Assets		
Beginning of Period	7,847,621	6,719,464
End of Period	7,399,530	7,847,621

¹ Certain prior-period numbers have been reclassified to conform with the current-period presentation.

Financial Highlights

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

1 Inception.

2 Calculated based on average shares outstanding.

3 Annualized.

Notes to Financial Statements

Vanguard Real Estate II Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund is a wholly owned subsidiary of Vanguard Real Estate Index Fund ("Real Estate Index Fund"), and at January 31, 2021, the Real Estate Index Fund was the record and beneficial owner of 100% of the fund's net assets. As part of the Real Estate Index Fund's principal investment strategy, it attempts to replicate the benchmark index by investing all, or substantially all, of its assets—either directly or indirectly through the fund—in the stocks that make up the index.

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

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

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

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

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

During the year ended January 31, 2021, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of

the notional amounts at each quarter-end during the period. The fund had no open futures contracts at January 31, 2021.

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

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

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

During the year ended January 31, 2021, 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. The fund had no open swap contracts at January 31, 2021.

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

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

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. The portion of distributions that exceed a fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

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

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

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund

Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund’s investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day’s notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended January 31, 2021, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Distributions received from investment securities are recorded on the ex-dividend date. Non-cash dividends included in dividend income, if any, are recorded at the fair value of the securities received. Each investment security reports annually the tax character of its distributions. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain, and return of capital reported by the investment securities, and management’s estimates of such amounts for investment security distributions for which actual information has not been reported. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2021, the fund had contributed to Vanguard capital in the amount of \$282,000, representing less than 0.01% of the fund’s net assets and 0.11% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

C. Various inputs may be used to determine the value of the fund’s investments. 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 valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments as of January 31, 2021, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	7,399,729	—	69	7,399,798
Temporary Cash Investments	30,308	—	—	30,308
Total	7,430,037	—	69	7,430,106

D. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for swap agreements were reclassified between the individual components of total distributable earnings (loss).

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

	Amount (\$000)
Undistributed Ordinary Income	—
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(39,799)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	523,479

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income	163,444	199,690
Long-Term Capital Gains	—	—
Return of Capital	119,057	65,435
Total	282,501	265,125

As of January 31, 2021, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	6,906,627
Gross Unrealized Appreciation	1,454,893
Gross Unrealized Depreciation	(931,414)
Net Unrealized Appreciation (Depreciation)	523,479

E. During the year ended January 31, 2021, the fund purchased \$549,160,000 of investment securities and sold \$247,945,000 of investment securities, other than temporary cash investments.

F. Capital shares issued and redeemed were:

	Year Ended January 31,	
	2021 Shares (000)	2020 Shares (000)
Issued	—	—
Issued in Lieu of Cash Distributions	14,371	12,285
Redeemed	—	—
Net Increase (Decrease) in Shares Outstanding	14,371	12,285

G. Management has determined that no events or transactions occurred subsequent to January 31, 2021, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Specialized Funds and Vanguard Fixed Income Securities Funds and Shareholders of Vanguard Real Estate Index Fund and Vanguard Real Estate II Index Fund

Opinions on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedules of investments, of Vanguard Real Estate Index Fund (one of the funds constituting Vanguard Specialized Funds) and Vanguard Real Estate II Index Fund (one of the funds constituting Vanguard Fixed Income Securities Funds) (hereafter collectively referred to as the “Funds”) as of January 31, 2021, the related statements of operations for the year ended January 31, 2021, the statements of changes in net assets for each of the two years in the period ended January 31, 2021, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of January 31, 2021, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended January 31, 2021 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of January 31, 2021 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 18, 2021

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

Special 2020 tax information (unaudited) for Vanguard Real Estate Index Fund

This information for the fiscal year ended January 31, 2021, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$34,194,000 of qualified dividend income to shareholders during the fiscal year.

The fund distributed \$1,341,802,000 of qualified business income to shareholders during the fiscal year.

Special 2020 tax information (unaudited) for Vanguard Real Estate II Index Fund

This information for the fiscal year ended January 31, 2021, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$4,016,000 of qualified dividend income to shareholders during the fiscal year.

The fund distributed \$159,428,000 of qualified business income to shareholders during the fiscal year.

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

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The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 211 Vanguard funds.

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

Interested Trustee¹

Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (2019–present) of Vanguard and of each of the investment companies served by Vanguard; chief executive officer (2018–present) of Vanguard; chief executive officer, president, and trustee (2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Chairman of the board (2011–2017) and trustee (2009–2017) of the Children's Hospital of Philadelphia; and trustee (2018–present) and vice chair (2019–present) of The Shipley School.

Independent Trustees

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. Director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

Amy Gutmann

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

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.

F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services). Director of the V Foundation. Member of the advisory council for the College of Arts and Letters and chair of the advisory board to the Kellogg Institute for International Studies, both at the University of Notre Dame. Chairman of the board of Saint Anselm College.

Mark Loughridge

Born in 1953. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: senior vice president and chief financial officer (retired 2013) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

Scott C. Malpass

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired June 2020) and vice president (retired June 2020) of the University of Notre Dame. Assistant professor (retired June 2020) of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Member of the board of Catholic Investment Services, Inc. (investment advisors) and the board of superintendence of the Institute for the Works of Religion.

Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: board chair (2020), chief executive officer (2011–2020), and president (2010–2019) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of Individual Life and Disability of the Guardian Life Insurance Company of America. Member of the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, NewYork-Presbyterian Hospital, and the Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

André F. Perold

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

Sarah Bloom Raskin

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Director (2017–present) of i(x) Investments, LLC. Rubenstein Fellow (2017–2020) of Duke University. Trustee (2017–present) of Amherst College and member (2019–present) of Amherst College Investment Committee.

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). Chairman of the board of trustees of Colby-Sawyer College. Member of the BMW Group Mobility Council.

Executive Officers

John Bendis

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2019–present) of each of the investment companies served by Vanguard. Chief accounting officer, treasurer, and controller of Vanguard (2017–present). Partner (2003–2016) at KPMG (audit, tax, and advisory services).

Christine M. Buchanan

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

David Cermak

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

John Galloway

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

Peter Mahoney

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

Anne E. Robinson

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

Michael Rollings

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

John E. Schadl

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

Vanguard Senior Management Team

Joseph Brennan
Mortimer J. Buckley
Gregory Davis
John James
John T. Marcante
Chris D. McIsaac

James M. Norris
Thomas M. Rampulla
Karin A. Risi
Anne E. Robinson
Michael Rollings
Lauren Valente



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Who Are Deaf or Hard of Hearing** > 800-749-7273

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

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

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

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

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8,626,636.
Vanguard Marketing Corporation, Distributor.

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