

**Annual Report** | August 31, 2021

## Vanguard U.S. Sector Index Funds

Vanguard Communication Services Index Fund

Vanguard Consumer Discretionary Index Fund

Vanguard Consumer Staples Index Fund

Vanguard Energy Index Fund

Vanguard Financials Index Fund

Vanguard Health Care Index Fund

Vanguard Industrials Index Fund

Vanguard Information Technology Index Fund

Vanguard Materials Index Fund

Vanguard Utilities Index Fund

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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

- All ten Vanguard U.S. Sector Index Funds had double-digit returns—ranging from about 15% to about 58%—for the 12 months ended August 31, 2021. Each fund closely tracked its target index.
- The global economy rebounded more quickly than many had expected after the sharp pandemic-induced contraction in the spring of 2020. Countries that were more successful in containing the virus generally fared better economically. Swift and extensive fiscal and monetary support from policymakers was also key to the rebound. Stocks rose broadly during the 12 months under review following the sharp contraction.
- Returns were strongest for Vanguard Financials Index, Energy Index, and Materials Index Funds. At the low end were Vanguard Consumer Staples Index and Utilities Index Funds.

### Market Barometer

	Average Annual Total Returns Periods Ended August 31, 2021		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	32.25%	18.42%	18.24%
Russell 2000 Index (Small-caps)	47.08	10.75	14.38
Russell 3000 Index (Broad U.S. market)	33.04	17.85	17.97
FTSE All-World ex US Index (International)	25.74	9.82	10.23
<b>Bonds</b>			
Bloomberg U.S. Aggregate Bond Index (Broad taxable market)	-0.08%	5.43%	3.11%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	3.40	5.09	3.30
FTSE Three-Month U.S. Treasury Bill Index	0.06	1.20	1.13
<b>CPI</b>			
Consumer Price Index	5.25%	2.76%	2.58%

## About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended August 31, 2021

	Beginning Account Value 2/28/2021	Ending Account Value 8/31/2021	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Communication Services Index Fund			
ETF Shares	\$1,000.00	\$ 1,170.20	\$0.55
Admiral™ Shares	1,000.00	1,170.20	0.55
Consumer Discretionary Index Fund			
ETF Shares	\$1,000.00	\$ 1,132.30	\$0.54
Admiral Shares	1,000.00	1,132.40	0.54
Consumer Staples Index Fund			
ETF Shares	\$1,000.00	\$ 1,145.40	\$0.54
Admiral Shares	1,000.00	1,145.60	0.54
Energy Index Fund			
ETF Shares	\$1,000.00	\$1,039.40	\$0.51
Admiral Shares	1,000.00	1,040.00	0.51
Financials Index Fund			
ETF Shares	\$1,000.00	\$ 1,192.70	\$0.55
Admiral Shares	1,000.00	1,192.90	0.55
Health Care Index Fund			
ETF Shares	\$1,000.00	\$ 1,173.80	\$0.55
Admiral Shares	1,000.00	1,173.90	0.55
Industrials Index Fund			
ETF Shares	\$1,000.00	\$ 1,136.70	\$0.54
Admiral Shares	1,000.00	1,136.70	0.54
Information Technology Index Fund			
ETF Shares	\$1,000.00	\$1,200.00	\$0.55
Admiral Shares	1,000.00	1,200.00	0.55
Materials Index Fund			
ETF Shares	\$1,000.00	\$ 1,175.50	\$0.55
Admiral Shares	1,000.00	1,175.70	0.55
Utilities Index Fund			
ETF Shares	\$1,000.00	\$ 1,182.40	\$0.55
Admiral Shares	1,000.00	1,182.40	0.55

Six Months Ended August 31, 2021

	Beginning Account Value 2/28/2021	Ending Account Value 8/31/2021	Expenses Paid During Period
<b>Based on Hypothetical 5% Yearly Return</b>			
Communication Services Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Consumer Discretionary Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Consumer Staples Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Energy Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Financials Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Health Care Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Industrials Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Information Technology Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Materials Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51
Utilities Index Fund			
ETF Shares	\$1,000.00	\$1,024.70	\$0.51
Admiral Shares	1,000.00	1,024.70	0.51

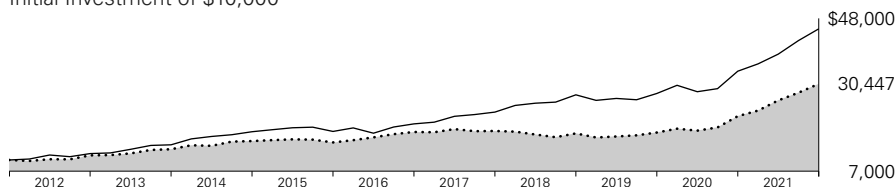
The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Communication Services Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Consumer Discretionary Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Consumer Staples Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Energy Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Financials Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Health Care Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Industrials Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Information Technology Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; for the Materials Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares; and for the Utilities Index Fund, 0.10% for ETF Shares and 0.10% for Admiral Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

# Communication Services Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Communication Services Index Fund ETF Shares Net Asset Value	39.75%	11.72%	11.78%	\$30,447
Communication Services Index Fund ETF Shares Market Price	39.69	11.74	11.77	30,425
Communication Services Spliced Index	39.84	11.67	11.77	30,417
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Communication Services Index Fund Admiral Shares	39.76%	11.72%	11.79%	\$304,873
Communication Services Spliced Index	39.84	11.67	11.77	304,173
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

### Cumulative Returns of ETF Shares: August 31, 2011, Through August 31, 2021

	One Year	Five Years	Ten Years
Communication Services Index Fund ETF Shares Market Price	39.69%	74.19%	204.25%
Communication Services Index Fund ETF Shares Net Asset Value	39.75	74.02	204.47
Communication Services Spliced Index	39.84	73.67	204.17

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Diversified Telecommunication Services	11.4%
Entertainment	18.5
Interactive Media & Services	49.1
Media	18.6
Wireless Telecommunication Services	2.4

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

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

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

## Financial Statements

### Schedule of Investments

As of August 31, 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.8%)</b>								
<b>Diversified Telecommunication Services (11.4%)</b>								
AT&T Inc.	7,633,382	209,307	* Lions Gate Entertainment Corp. Class B	337,978	3,975	* Liberty Media Corp.-Liberty SiriusXM Class C	432,184	21,328
Verizon Communications Inc.	3,793,945	208,667	* Imax Corp.	202,725	3,185	News Corp. Class A	944,873	21,231
Lumen Technologies Inc.	2,039,482	25,086	* <sup>1</sup> CuriosityStream Inc.	116,198	1,452	New York Times Co. Class A	406,977	20,666
* Liberty Global plc Class C	812,263	23,539	* Marcus Corp.	87,079	1,358	Nexstar Media Group Inc. Class A	131,309	19,664
* Iridium Communications Inc.	440,074	19,588	* Liberty Media Corp.-Liberty Braves Class A	33,901	881	* Altice USA Inc. Class A	680,638	18,677
* Liberty Global plc Class A	613,881	17,643	* Endeavor Group Holdings Inc. Class A	1,177	31	* <sup>1</sup> Discovery Inc. Class A	620,252	17,888
Cogent Communications Holdings Inc.	171,990	12,483			<b>906,055</b>	* Fox Corp. Class B	510,231	17,669
* Liberty Latin America Ltd. Class C	649,260	9,343	<b>Interactive Media &amp; Services (49.0%)</b>			* Liberty Media Corp.-Liberty SiriusXM Class A	336,072	16,636
* Bandwidth Inc. Class A	87,385	8,992	* Facebook Inc. Class A	2,236,440	848,461	<sup>1</sup> Sirius XM Holdings Inc.	2,390,187	14,987
* Globalstar Inc.	2,882,461	5,736	* Alphabet Inc. Class A	196,773	569,451	TEGNA Inc.	843,253	14,943
* Radius Global Infrastructure Inc. Class A (XNMS)	233,756	4,180	* Alphabet Inc. Class C	188,143	547,353	* Magnite Inc.	492,391	14,289
* ORBCOMM Inc.	317,831	3,652	* Snap Inc. Class A	1,134,450	86,343	* Cardlytics Inc.	132,197	12,001
* Cincinnati Bell Inc.	195,541	3,029	* Twitter Inc.	1,002,277	64,647	News Corp. Class B	538,617	11,866
* Anterix Inc.	45,941	2,711	* Match Group Inc.	351,078	48,252	* iHeartMedia Inc. Class A	449,589	11,186
* Consolidated Communications Holdings Inc.	289,333	2,682	* ZoomInfo Technologies Inc. Class A	604,836	39,429	John Wiley & Sons Inc. Class A	178,765	10,386
* Liberty Latin America Ltd. Class A	163,558	2,332	* Pinterest Inc. Class A	679,453	37,757	TechTarget Inc.	101,825	8,612
ATN International Inc.	44,779	2,042	* Zillow Group Inc. Class C	298,677	28,604	Gray Television Inc.	320,582	7,290
		<b>561,012</b>	* IAC/InterActiveCorp.	177,245	23,405	Meredith Corp.	163,157	7,017
<b>Entertainment (18.5%)</b>			* Vimeo Inc.	558,161	21,277	Sinclair Broadcast Group Inc. Class A	196,881	5,908
* Walt Disney Co.	1,474,181	267,269	* Zillow Group Inc. Class A	195,421	18,682	* AMC Networks Inc. Class A	111,191	5,285
* Netflix Inc.	386,056	219,739	* TripAdvisor Inc.	399,243	13,973	* WideOpenWest Inc.	210,102	4,458
Activision Blizzard Inc.	930,293	76,628	* Bumble Inc. Class A	240,848	13,126	EW Scripps Co. Class A	212,051	3,931
Electronic Arts Inc.	377,370	54,798	* Yelp Inc. Class A	299,512	11,534	Scholastic Corp.	105,027	3,491
* Roku Inc.	151,985	53,560	* Cargurus Inc.	318,163	9,666	* Clear Channel Outdoor Holdings Inc.	1,324,776	3,484
<sup>1</sup> AMC Entertainment Holdings Inc. Class A	1,003,600	47,300	* <sup>1</sup> fuboTV Inc.	197,627	5,761	* Gannett Co. Inc.	544,225	3,456
* Take-Two Interactive Software Inc.	192,800	31,083	* Eventbrite Inc. Class A	286,122	5,059	* Boston Omaha Corp. Class A	68,795	2,459
* Live Nation Entertainment Inc.	321,049	27,835	* QuinStreet Inc.	204,758	3,667	* Advantage Solutions Inc.	255,880	2,229
* Liberty Media Corp.-Liberty Formula One Class C	456,950	23,094	* Cars.com Inc.	276,029	3,511	* Thryv Holdings Inc.	60,936	1,888
* Zynga Inc. Class A	2,415,198	21,375	* Angi Inc. Class A	281,723	2,998	Loral Space & Communications Inc.	43,072	1,810
Warner Music Group Corp. Class A	399,829	15,193	* TrueCar Inc.	357,313	1,501	Entercom Communications Corp. Class A	495,606	1,759
* Madison Square Garden Sports Corp.	59,042	10,674	* Mediaalpha Inc. Class A	62,106	1,378	* Hemisphere Media Group Inc. Class A	65,586	808
World Wrestling Entertainment Inc. Class A	181,882	9,478	* EverQuote Inc. Class A	67,424	1,328	* PubMatic Inc. Class A	21,739	634
* Playtika Holding Corp.	329,329	8,691	* Liberty TripAdvisor Holdings Inc. Class A	290,688	1,087			<b>910,066</b>
* Madison Square Garden Entertainment Corp.	98,008	7,859			<b>2,408,250</b>	<b>Wireless Telecommunication Services (2.4%)</b>		
Cinemark Holdings Inc.	408,437	7,282	<b>Media (18.5%)</b>			* T-Mobile U.S. Inc.	714,785	97,940
* Lions Gate Entertainment Corp. Class A	359,946	4,651	* Comcast Corp. Class A	3,560,937	216,078	Telephone and Data Systems Inc.	387,439	7,873
* <sup>1</sup> Skillz Inc. Class A	394,237	4,640	* Charter Communications Inc. Class A	163,011	133,125	Shenandoah Telecommunications Co.	190,727	5,689
* Liberty Media Corp.-Liberty Braves Class C	155,682	4,024	* ViacomCBS Inc. Class B	922,058	38,219	* <sup>1</sup> Gogo Inc.	198,420	2,669
			* Liberty Broadband Corp. Class C	195,075	37,322	* U.S. Cellular Corp.	53,301	1,703
			Interpublic Group of Cos. Inc.	791,800	29,479			<b>115,874</b>
			Omnicom Group Inc.	390,736	28,610	<b>Total Common Stocks (Cost \$3,659,454)</b>		
			Fox Corp. Class A	683,912	25,606			<b>4,901,257</b>
			Cable One Inc.	11,607	24,370			
			* Liberty Broadband Corp. Class A	129,748	24,103			
			* DISH Network Corp. Class A	542,124	23,631			
			* Discovery Inc. Class C	782,437	21,587			

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (1.1%)</b>		
<b>Money Market Fund (1.1%)</b>		
<sup>2,3</sup> Vanguard Market Liquidity Fund, 0.068% (Cost \$53,930)	539,312	53,931
<b>Total Investments (100.9%)</b> (Cost \$3,713,384)		4,955,188
<b>Other Assets and Liabilities— Net (-0.9%)</b>		(43,519)
<b>Net Assets (100.0%)</b>		4,911,669

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 \$45,517,000.

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

3 Collateral of \$44,707,000 was received for securities on loan.

## Derivative Financial Instruments Outstanding as of Period End

## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Pinterest Inc.	8/31/22	BOANA	5,946	(0.080) <sup>1</sup>	—	—
Sirius XM Holdings Inc.	1/31/22	GSI	3,945	(0.089) <sup>2</sup>	139	—
					139	—

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

2 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.

BOANA—Bank of America, N.A.

GSI—Goldman Sachs International.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$3,659,454)	4,901,257
Affiliated Issuers (Cost \$53,930)	53,931
Total Investments in Securities	4,955,188
Investment in Vanguard	158
Receivables for Investment Securities Sold	134,855
Receivables for Accrued Income	1,294
Receivables for Capital Shares Issued	136
Unrealized Appreciation—Over-the-Counter Swap Contracts	139
<b>Total Assets</b>	<b>5,091,770</b>
<b>Liabilities</b>	
Due to Custodian	3,662
Payables for Investment Securities Purchased	129,673
Collateral for Securities on Loan	44,707
Payables for Capital Shares Redeemed	1,848
Payables to Vanguard	211
Unrealized Depreciation—Over-the-Counter Swap Contracts	—
<b>Total Liabilities</b>	<b>180,101</b>
<b>Net Assets</b>	<b>4,911,669</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	4,028,240
Total Distributable Earnings (Loss)	883,429
<b>Net Assets</b>	<b>4,911,669</b>

## ETF Shares—Net Assets

Applicable to 31,943,227 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)

4,787,448

**Net Asset Value Per Share—ETF Shares**

**\$149.87**

## Admiral Shares—Net Assets

Applicable to 1,626,426 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)

124,221

**Net Asset Value Per Share—Admiral Shares**

**\$76.38**

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	32,191
Interest <sup>1</sup>	4
Securities Lending—Net	504
<b>Total Income</b>	<b>32,699</b>
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	547
Management and Administrative— ETF Shares	2,669
Management and Administrative— Admiral Shares	72
Marketing and Distribution— ETF Shares	153
Marketing and Distribution— Admiral Shares	4
Custodian Fees	5
Auditing Fees	30
Shareholders' Reports—ETF Shares	157
Shareholders' Reports—Admiral Shares	1
Trustees' Fees and Expenses	1
<b>Total Expenses</b>	<b>3,639</b>
<b>Net Investment Income</b>	<b>29,060</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	375,611
Futures Contracts	(29)
Swap Contracts	1,088
<b>Realized Net Gain (Loss)</b>	<b>376,670</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	803,203
Swap Contracts	212
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>803,415</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,209,145</b>

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

<sup>2</sup> Includes \$371,541,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	29,060	24,581
Realized Net Gain (Loss)	376,670	108,871
Change in Unrealized Appreciation (Depreciation)	803,415	434,730
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,209,145</b>	<b>568,182</b>
<b>Distributions</b>		
ETF Shares	(24,537)	(22,506)
Admiral Shares	(631)	(540)
<b>Total Distributions</b>	<b>(25,168)</b>	<b>(23,046)</b>
<b>Capital Share Transactions</b>		
ETF Shares	719,965	364,805
Admiral Shares	26,851	4,709
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>746,816</b>	<b>369,514</b>
<b>Total Increase (Decrease)</b>	<b>1,930,793</b>	<b>914,650</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>2,980,876</b>	<b>2,066,226</b>
<b>End of Period</b>	<b>4,911,669</b>	<b>2,980,876</b>

# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$108.04</b>	<b>\$87.24</b>	<b>\$86.83</b>	<b>\$93.54</b>	<b>\$95.16</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.018	1.005	.917	3.067	3.108
Net Realized and Unrealized Gain (Loss) on Investments	41.708	20.743	.316	(6.297)	(1.587)
Total from Investment Operations	42.726	21.748	1.233	(3.230)	1.521
<b>Distributions</b>					
Dividends from Net Investment Income	(.896)	(.948)	(.823)	(3.480)	(3.141)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.896)	(.948)	(.823)	(3.480)	(3.141)
<b>Net Asset Value, End of Period</b>	<b>\$149.87</b>	<b>\$108.04</b>	<b>\$87.24</b>	<b>\$86.83</b>	<b>\$93.54</b>
<b>Total Return</b>	<b>39.75%</b>	<b>25.15%</b>	<b>1.47%</b>	<b>-3.50%</b>	<b>1.62%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,787	\$2,914	\$2,016	\$1,015	\$1,388
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.80%	1.09%	1.09%	3.48%	3.26%
Portfolio Turnover Rate <sup>2</sup>	15%	15%	33%	84%	18%

1 Calculated based on average shares outstanding.

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

## Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$55.06</b>	<b>\$44.46</b>	<b>\$44.25</b>	<b>\$47.67</b>	<b>\$48.50</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.519	.512	.470	1.554	1.601
Net Realized and Unrealized Gain (Loss) on Investments	21.259	10.571	.157	(3.199)	(.829)
Total from Investment Operations	21.778	11.083	.627	(1.645)	.772
<b>Distributions</b>					
Dividends from Net Investment Income	(.458)	(.483)	(.417)	(1.775)	(1.602)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.458)	(.483)	(.417)	(1.775)	(1.602)
<b>Net Asset Value, End of Period</b>	<b>\$76.38</b>	<b>\$55.06</b>	<b>\$44.46</b>	<b>\$44.25</b>	<b>\$47.67</b>
<b>Total Return<sup>2</sup></b>	<b>39.76%</b>	<b>25.16%</b>	<b>1.46%</b>	<b>-3.48%</b>	<b>1.61%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$124	\$67	\$50	\$46	\$50
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.79%	1.10%	1.09%	3.48%	3.26%
Portfolio Turnover Rate <sup>3</sup>	15%	15%	33%	84%	18%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

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

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

During the year ended August 31, 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 August 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 August 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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$158,000, representing less than 0.01% of the fund's net assets and 0.06% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	4,901,257	—	—	4,901,257
Temporary Cash Investments	53,931	—	—	53,931
Total	4,955,188	—	—	4,955,188
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Swap Contracts	—	139	—	139
<b>Liabilities</b>				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	370,966
Total Distributable Earnings (Loss)	(370,966)

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 recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	11,792
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(364,946)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	1,236,583

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021	2020
	Amount (\$000)	Amount (\$000)
Ordinary Income*	25,168	23,046
Long-Term Capital Gains	—	—
Total	25,168	23,046

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	3,718,606
Gross Unrealized Appreciation	1,360,440
Gross Unrealized Depreciation	(123,857)
Net Unrealized Appreciation (Depreciation)	1,236,583

E. During the year ended August 31, 2021, the fund purchased \$2,272,488,000 of investment securities and sold \$1,526,320,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,651,055,000 and \$976,726,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$757,000 and sales were \$14,579,000, resulting in net realized gain (loss) of (\$334,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	1,693,617	12,776	1,330,015	14,802
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(973,652)	(7,800)	(965,210)	(10,950)
Net Increase (Decrease)—ETF Shares	719,965	4,976	364,805	3,852
<b>Admiral Shares</b>				
Issued	58,573	900	39,541	862
Issued in Lieu of Cash Distributions	544	9	448	10
Redeemed	(32,266)	(504)	(35,280)	(771)
Net Increase (Decrease)—Admiral Shares	26,851	405	4,709	101

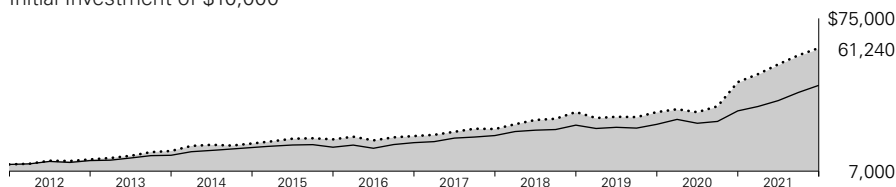
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Consumer Discretionary Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Consumer Discretionary Index Fund ETF Shares Net Asset Value	32.39%	22.17%	19.87%	\$61,240
Consumer Discretionary Index Fund ETF Shares Market Price	32.32	22.17	19.87	61,237
Consumer Discretionary Spliced Index	32.47	22.25	19.97	61,785
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Consumer Discretionary Index Fund Admiral Shares	32.39%	22.18%	19.87%	\$612,572
Consumer Discretionary Spliced Index	32.47	22.25	19.97	617,855
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

### Cumulative Returns of ETF Shares: August 31, 2011, Through August 31, 2021

	One Year	Five Years	Ten Years
Consumer Discretionary Index Fund ETF Shares Market Price	32.32%	172.18%	512.37%
Consumer Discretionary Index Fund ETF Shares Net Asset Value	32.39	172.18	512.40
Consumer Discretionary Spliced Index	32.47	173.10	517.85

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Auto Components	2.5%
Automobiles	12.4
Distributors	1.0
Diversified Consumer Services	1.5
Hotels, Restaurants & Leisure	17.0
Household Durables	5.1
Internet & Direct Marketing Retail	27.6
Leisure Products	1.7
Multiline Retail	4.2
Other	0.0
Specialty Retail	19.7
Textiles, Apparel & Luxury Goods	7.3

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

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

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

## Financial Statements

### Schedule of Investments

As of August 31, 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (100.1%)</b>								
<b>Auto Components (2.5%)</b>								
* Aptiv plc	369,555	56,243	* Bright Horizons Family Solutions Inc.	90,182	13,145	Texas Roadhouse Inc. Class A	106,423	10,110
BorgWarner Inc. (XNYS)	364,947	15,576	* Terminix Global Holdings Inc.	209,473	8,720	* Marriott Vacations Worldwide Corp.	65,126	9,740
Lear Corp.	86,446	13,826	* H&R Block Inc.	324,829	8,332	* Boyd Gaming Corp.	139,585	8,566
Gentex Corp.	373,849	11,515	* Grand Canyon Education Inc.	78,128	6,964	Wingstop Inc.	49,513	8,513
Autoliv Inc.	128,472	11,356	* frontdoor Inc.	143,085	6,241	* Scientific Games Corp. Class A	109,537	7,925
* Fox Factory Holding Corp.	67,982	10,447	* Graham Holdings Co. Class B	8,080	4,984	Travel + Leisure Co.	143,445	7,855
* Goodyear Tire & Rubber Co.	500,280	7,924	* Houghton Mifflin Harcourt Co.	335,607	4,521	Wendy's Co.	329,517	7,586
* Veoneer Inc.	194,847	6,975	* Adtalem Global Education Inc.	111,057	4,109	Choice Hotels International Inc.	63,059	7,527
LCI Industries	44,982	6,372	* Laureate Education Inc. Class A	246,868	3,933	Papa John's International Inc.	55,438	7,070
* Adient plc	158,605	6,239	* Stride Inc.	110,635	3,788	* Red Rock Resorts Inc. Class A	139,294	6,520
Dana Inc.	260,158	6,051	* Strategic Education Inc.	44,956	3,519	* Hilton Grand Vacations Inc.	149,078	6,513
* Gentherm Inc.	66,494	5,706	* Carriage Services Inc. Class A	68,109	3,149	* Six Flags Entertainment Corp.	139,164	5,878
* Visteon Corp.	48,827	5,160	* OneSpaWorld Holdings Ltd.	287,485	3,019	Cracker Barrel Old Country Store Inc.	40,422	5,804
* Dorman Products Inc.	52,579	4,935	* VW International Inc.	120,134	2,601	* Hyatt Hotels Corp. Class A	72,020	5,300
* Tenneco Inc. Class A	230,129	3,590	* Perdoceo Education Corp.	205,315	2,254	* Shake Shack Inc. Class A	59,349	5,149
* American Axle & Manufacturing Holdings Inc.	316,921	2,811	* American Public Education Inc.	75,011	1,973	* Everi Holdings Inc.	219,993	5,005
Standard Motor Products Inc.	65,161	2,795	* 2U Inc.	6,949	257	* SeaWorld Entertainment Inc.	100,999	4,968
* Modine Manufacturing Co.	172,898	2,151	* Vivint Smart Home Inc.	18,570	227	Jack in the Box Inc.	43,431	4,602
* Stoneridge Inc.	87,859	2,047			113,117	* Brinker International Inc.	84,967	4,526
* Cooper-Standard Holdings Inc.	65,976	1,536	<b>Hotels, Restaurants &amp; Leisure (17.0%)</b>			* Bloomin' Brands Inc.	160,490	4,300
* XL Fleet Corp.	40,059	272	McDonald's Corp.	989,301	234,919	* Cheesecake Factory Inc.	88,424	4,125
* XPEL Inc.	3,181	242	Starbucks Corp.	1,566,819	184,086	* Bally's Corp.	73,891	3,712
Patrick Industries Inc.	2,680	219	* Booking Holdings Inc.	54,977	126,429	* Dave & Buster's Entertainment Inc.	95,874	3,588
* Luminar Technologies Inc. Class A	11,255	196	* Chipotle Mexican Grill Inc. Class A	36,246	68,988	* Golden Entertainment Inc.	73,861	3,525
* QuantumScape Corp. Class A	8,858	195	Yum! Brands Inc.	407,620	53,410	* Dine Brands Global Inc.	39,734	3,287
		184,379	* Marriott International Inc. Class A	380,383	51,405	* Denny's Corp.	182,897	3,025
<b>Automobiles (12.4%)</b>			* Hilton Worldwide Holdings Inc.	384,225	47,974	* Play Hotels & Resorts NV	381,282	2,787
* Tesla Inc.	1,008,466	741,949	Domino's Pizza Inc.	55,224	28,545	* Monarch Casino & Resort Inc.	43,161	2,735
* General Motors Co.	1,752,236	85,877	* Darden Restaurants Inc.	187,333	28,222	* BJ's Restaurants Inc.	59,105	2,527
* Ford Motor Co.	5,322,723	69,355	* Expedia Group Inc.	193,455	27,954	* Accel Entertainment Inc. Class A	210,916	2,430
Thor Industries Inc.	87,141	9,884	* Caesars Entertainment Inc.	268,007	27,238	* Ruth's Hospitality Group Inc.	114,294	2,342
Harley-Davidson Inc.	243,344	9,619	* Royal Caribbean Cruises Ltd.	321,959	26,636	* Chuy's Holdings Inc.	63,057	2,034
Winnebago Industries Inc.	65,431	4,555	MGM Resorts International	573,534	24,444	* El Pollo Loco Holdings Inc.	102,003	1,850
* <sup>1</sup> Fisker Inc.	21,610	301	* Carnival Corp.	997,694	24,084	* Lindblad Expeditions Holdings Inc.	122,354	1,800
* Workhorse Group Inc.	29,507	290	* Las Vegas Sands Corp.	487,961	21,768	* Red Robin Gourmet Burgers Inc.	57,684	1,412
* <sup>1</sup> Canoo Inc.	32,973	238	* Vail Resorts Inc.	59,398	18,107	* Golden Nugget Online Gaming Inc.	21,213	458
* Lordstown Motors Corp. Class A	28,826	190	* Penn National Gaming Inc.	222,568	18,050	* DraftKings Inc. Class A	5,604	332
		922,258	* Wynn Resorts Ltd.	151,468	15,403	* Rush Street Interactive Inc.	20,558	306
<b>Distributors (1.1%)</b>			* Norwegian Cruise Line Holdings Ltd.	513,901	13,279	* GAN Ltd.	14,803	253
Pool Corp.	57,231	28,289	Aramark	349,333	12,153			1,262,138
Genuine Parts Co.	207,612	25,368	Churchill Downs Inc.	55,100	11,599	<b>Household Durables (5.1%)</b>		
* LKQ Corp.	420,096	22,135	Wyndham Hotels & Resorts Inc.	149,298	10,854	DR Horton Inc.	473,330	45,260
* Funko Inc. Class A	101,737	2,029	* Planet Fitness Inc. Class A	130,457	10,606	Lennar Corp. Class A	383,335	41,136
		77,821						
<b>Diversified Consumer Services (1.5%)</b>								
Service Corp. International	255,200	16,016						
* Chegg Inc.	184,636	15,365						

Consumer Discretionary Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Garmin Ltd.	204,778	35,719	Brunswick Corp.	122,250	11,842	Rent-A-Center Inc.	96,314	6,076
* NVR Inc.	4,970	25,744	* Mattel Inc.	552,037	11,786	* Bed Bath & Beyond Inc.	217,662	5,994
PulteGroup Inc.	389,735	20,991	Polaris Inc.	90,903	10,887	* Boot Barn Holdings Inc.	64,500	5,759
Whirlpool Corp.	91,602	20,293	* Vista Outdoor Inc.	122,962	5,023	Penske Automotive Group Inc.	63,073	5,672
* Mohawk Industries Inc.	88,954	17,592	* Callaway Golf Co.	176,745	4,959	Group 1 Automotive Inc.	33,851	5,600
Newell Brands Inc.	593,686	15,086	Acushnet Holdings Corp.	85,144	4,254	* ODP Corp.	107,135	5,054
Tempur Sealy International Inc.	294,586	13,168	Smith & Wesson Brands Inc.	160,130	3,864	* Sleep Number Corp.	50,351	4,658
Toll Brothers Inc.	190,538	12,206	Sturm Ruger & Co. Inc.	46,601	3,644	* Abercrombie & Fitch Co. Class A	128,531	4,596
* TopBuild Corp.	51,827	11,339	* Malibu Boats Inc. Class A	48,527	3,475	* Sally Beauty Holdings Inc.	238,561	4,435
Leggett & Platt Inc.	213,372	10,325	Johnson Outdoors Inc. Class A	19,537	2,243	Hibbett Inc.	46,147	4,416
* Helen of Troy Ltd.	41,255	9,868	* Master Craft Boat Holdings Inc.	85,803	2,140	* Urban Outfitters Inc.	133,375	4,404
* Meritage Homes Corp.	68,666	7,659	Clarus Corp.	11,454	310	Monro Inc.	69,629	3,963
* Skyline Champion Corp.	104,144	6,532	* AMMO Inc.	38,165	280	Camping World Holdings Inc. Class A	92,431	3,692
* Sonos Inc.	164,254	6,526				* Children's Place Inc.	41,216	3,579
KB Home	145,839	6,275				* Genesco Inc.	54,343	3,371
* LGI Homes Inc.	39,061	6,263				Sonic Automotive Inc. Class A	65,002	3,285
* Taylor Morrison Home Corp. Class A	220,975	6,207	<b>Multiline Retail (4.2%)</b>			* MarineMax Inc.	64,909	3,156
* Tri Pointe Homes Inc.	247,824	5,891	Target Corp.	658,714	162,689	Buckle Inc.	80,817	3,130
MDC Holdings Inc.	108,883	5,689	Dollar General Corp.	319,642	71,252	Caleres Inc.	126,928	3,121
Installed Building Products Inc.	45,000	5,588	* Dollar Tree Inc.	326,328	29,546	Shoe Carnival Inc.	81,149	3,106
* Cavco Industries Inc.	18,552	4,740	Kohl's Corp.	242,724	13,932	* Conn's Inc.	114,116	2,807
Century Communities Inc.	65,297	4,577	* Macy's Inc.	510,814	11,437	Guess? Inc.	113,597	2,748
* M/I Homes Inc.	67,688	4,358	* Ollie's Bargain Outlet Holdings Inc.	93,950	6,800	* Designer Brands Inc. Class A	183,957	2,667
* iRobot Corp.	50,809	4,122	* Nordstrom Inc.	192,641	5,512	Winmark Corp.	12,320	2,583
La-Z-Boy Inc.	101,730	3,562	Big Lots Inc.	76,826	3,738	* America's Car-Mart Inc.	19,841	2,566
* GoPro Inc. Class A	310,303	3,094	Dillard's Inc. Class A	19,535	3,721	* Zumiez Inc.	61,707	2,480
* Green Brick Partners Inc.	110,661	2,765	Franchise Group Inc.	6,746	234	Haverty Furniture Cos. Inc.	64,651	2,304
* Tupperware Brands Corp.	114,910	2,743				* Lumber Liquidators Holdings Inc.	95,605	1,994
* Universal Electronics Inc.	46,694	2,359				Aaron's Co. Inc.	59,982	1,591
* Lovesac Co.	41,255	2,333	<b>Other (0.0%)<sup>2</sup></b>			* Academy Sports & Outdoors Inc.	6,961	308
* Beazer Homes USA Inc.	124,655	2,332	* <sup>3</sup> Media General Inc. CVR	69,182	3	* Leslie's Inc.	12,057	291
Ethan Allen Interiors Inc.	91,710	2,203				* Arko Corp.	23,458	243
* Purple Innovation Inc. Class A	8,733	213	<b>Specialty Retail (19.7%)</b>			* Shift Technologies Inc.	32,004	238
* Vuzix Corp.	15,554	206	Home Depot Inc.	1,403,317	457,734	* GrowGeneration Corp.	6,449	206
* <sup>1</sup> Aterian Inc.	17,689	105	Lowe's Cos. Inc.	939,239	191,501	* Vroom Inc.	6,118	164
		<b>375,069</b>	TJX Cos. Inc.	1,613,798	117,355			<b>1,461,835</b>
<b>Internet &amp; Direct Marketing Retail (27.6%)</b>			Ross Stores Inc.	485,701	57,507	<b>Textiles, Apparel &amp; Luxury Goods (7.3%)</b>		
* Amazon.com Inc.	501,422	1,740,330	* O'Reilly Automotive Inc.	95,258	56,591	NIKE Inc. Class B	1,664,896	274,275
* MercadoLibre Inc.	60,176	112,376	* AutoZone Inc.	29,736	46,066	* Lululemon Athletica Inc.	168,153	67,290
eBay Inc.	924,865	70,974	Best Buy Co. Inc.	315,952	36,812	VF Corp.	462,834	35,393
* Etsy Inc.	173,494	37,520	Tractor Supply Co.	162,617	31,588	* Deckers Outdoor Corp.	41,655	17,430
* Wayfair Inc. Class A	92,927	26,089	* Carvana Co. Class A	90,745	29,770	* Tapestry Inc.	413,343	16,666
* Chewy Inc. Class A	115,333	10,163	* CarMax Inc.	231,928	29,040	* Crocs Inc.	101,415	14,484
* Stamps.com Inc.	29,701	9,769	* Ulta Beauty Inc.	74,394	28,814	* Capri Holdings Ltd.	226,385	12,793
* Qurate Retail Inc. Series A	639,667	7,055	* Burlington Stores Inc.	93,730	28,071	* PVH Corp.	111,910	11,727
Shutterstock Inc.	44,477	5,126	Bath & Body Works Inc.	381,185	25,722	* Skechers USA Inc. Class A	220,572	11,123
* Overstock.com Inc.	69,890	5,043	Williams-Sonoma Inc.	113,591	21,207	Hanesbrands Inc.	555,340	10,374
* Revolve Group Inc.	70,547	4,054	* GameStop Corp. Class A	89,802	19,598	Ralph Lauren Corp. Class A	79,078	9,183
* Stitch Fix Inc. Class A	96,389	4,040	Advance Auto Parts Inc.	96,448	19,564	Carter's Inc.	75,543	7,734
* 1-800-Flowers.com Inc. Class A	84,809	2,694	* Five Below Inc.	83,233	17,713	* Under Armour Inc. Class A	324,008	7,498
* Lands' End Inc.	68,013	2,302	* RH	23,727	16,625	* Under Armour Inc. Class C	351,240	7,046
* PetMed Express Inc.	69,853	1,924	* Floor & Decor Holdings Inc. Class A	127,347	15,702	Steven Madden Ltd.	150,263	6,081
* Groupon Inc. Class A	69,924	1,732	Dick's Sporting Goods Inc.	106,934	15,057	Columbia Sportswear Co.	55,624	5,674
* Duluth Holdings Inc. Class B	107,475	1,672	* Lithia Motors Inc. Class A	44,009	14,580	Wolverine World Wide Inc.	153,975	5,522
* Quotient Technology Inc.	213,389	1,549	* AutoNation Inc.	88,009	9,601	Kontoor Brands Inc.	93,357	5,038
* RealReal Inc.	86,174	1,072	Gap Inc.	355,925	9,514	Oxford Industries Inc.	42,406	3,829
* Porch Group Inc.	16,416	328	* Foot Locker Inc.	162,375	9,205	Levi Strauss & Co. Class A	142,993	3,748
		<b>2,045,812</b>	* Victoria's Secret & Co.	128,541	8,522	* G-III Apparel Group Ltd.	112,893	3,492
<b>Leisure Products (1.7%)</b>			* National Vision Holdings Inc.	140,491	8,427	Movado Group Inc.	77,992	2,819
* Peloton Interactive Inc. Class A	277,816	27,834	American Eagle Outfitters Inc.	261,331	7,976			
Hasbro Inc.	192,750	18,949	Signet Jewelers Ltd.	99,824	7,906			
* YETI Holdings Inc.	120,123	11,933	Murphy USA Inc.	47,704	7,408			
			* Asbury Automotive Group Inc.	34,377	6,402			

Consumer Discretionary Index Fund

	Shares	Market Value* (\$000)
* Fossil Group Inc.	160,542	2,151
* Unifi Inc.	72,926	1,695
		<b>543,065</b>
<b>Total Common Stocks</b> <b>(Cost \$4,999,135)</b>		<b>7,417,781</b>
<b>Temporary Cash Investments (0.0%)</b>		
<b>Money Market Fund (0.0%)</b>		
<sup>4,5</sup> Vanguard Market Liquidity Fund, 0.068% <b>(Cost \$915)</b>	9,149	<b>915</b>
<b>Total Investments (100.1%)</b> <b>(Cost \$5,000,050)</b>		<b>7,418,696</b>
<b>Other Assets and Liabilities—</b> <b>Net (-0.1%)</b>		<b>(7,878)</b>
<b>Net Assets (100.0%)</b>		<b>7,410,818</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$843,000.

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

3 Security value determined using significant unobservable inputs.

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

5 Collateral of \$902,000 was received for securities on loan.

CVR—Contingent Value Rights.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$4,999,135)	7,417,781
Affiliated Issuers (Cost \$915)	915
Total Investments in Securities	7,418,696
Investment in Vanguard	245
Receivables for Investment Securities Sold	58,778
Receivables for Accrued Income	4,026
Receivables for Capital Shares Issued	1,003
<b>Total Assets</b>	<b>7,482,748</b>
<b>Liabilities</b>	
Due to Custodian	3,284
Payables for Investment Securities Purchased	61,811
Collateral for Securities on Loan	902
Payables for Capital Shares Redeemed	5,614
Payables to Vanguard	319
<b>Total Liabilities</b>	<b>71,930</b>
<b>Net Assets</b>	<b>7,410,818</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	5,150,136
Total Distributable Earnings (Loss)	2,260,682
<b>Net Assets</b>	<b>7,410,818</b>

## ETF Shares—Net Assets

Applicable to 20,742,318 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	6,658,089
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$320.99</b>

## Admiral Shares—Net Assets

Applicable to 4,530,499 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	752,729
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$166.15</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	40,382
Interest <sup>1</sup>	23
Securities Lending—Net	841
Total Income	41,246
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	886
Management and Administrative— ETF Shares	4,102
Management and Administrative— Admiral Shares	482
Marketing and Distribution— ETF Shares	184
Marketing and Distribution— Admiral Shares	25
Custodian Fees	16
Auditing Fees	30
Shareholders' Reports—ETF Shares	155
Shareholders' Reports—Admiral Shares	8
Trustees' Fees and Expenses	2
Total Expenses	5,890
<b>Net Investment Income</b>	<b>35,356</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	241,558
Futures Contracts	484
Swap Contracts	27,678
<b>Realized Net Gain (Loss)</b>	<b>269,720</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	1,260,549
Futures Contracts	3
Swap Contracts	(19,676)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,240,876</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,545,952</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$23,000, \$10,000, and (\$17,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$306,235,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	35,356	35,195
Realized Net Gain (Loss)	269,720	462,167
Change in Unrealized Appreciation (Depreciation)	1,240,876	708,129
Net Increase (Decrease) in Net Assets Resulting from Operations	1,545,952	1,205,491
<b>Distributions</b>		
ETF Shares	(73,583)	(36,170)
Admiral Shares	(7,931)	(3,859)
Total Distributions	(81,514)	(40,029)
<b>Capital Share Transactions</b>		
ETF Shares	1,320,560	(74,809)
Admiral Shares	162,859	2,845
Net Increase (Decrease) from Capital Share Transactions	1,483,419	(71,964)
Total Increase (Decrease)	2,947,857	1,093,498
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>4,462,961</b>	<b>3,369,463</b>
<b>End of Period</b>	<b>7,410,818</b>	<b>4,462,961</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$246.86</b>	<b>\$178.51</b>	<b>\$180.85</b>	<b>\$141.74</b>	<b>\$126.45</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.724	1.998	2.052	2.066	2.068
Net Realized and Unrealized Gain (Loss) on Investments	76.697	68.603	(2.391)	39.031	15.248
Total from Investment Operations	78.421	70.601	(.339)	41.097	17.316
<b>Distributions</b>					
Dividends from Net Investment Income	(4.291)	(2.251)	(2.001)	(1.987)	(2.026)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.291)	(2.251)	(2.001)	(1.987)	(2.026)
<b>Net Asset Value, End of Period</b>	<b>\$320.99</b>	<b>\$246.86</b>	<b>\$178.51</b>	<b>\$180.85</b>	<b>\$141.74</b>
<b>Total Return</b>	<b>32.39%</b>	<b>39.98%</b>	<b>-0.14%</b>	<b>29.22%</b>	<b>13.81%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$6,658	\$4,026	\$3,049	\$3,199	\$2,198
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.60%	1.06%	1.20%	1.28%	1.53%
Portfolio Turnover Rate <sup>2</sup>	8%	10%	9%	28%	6%

1 Calculated based on average shares outstanding.

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

### Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$127.78</b>	<b>\$92.40</b>	<b>\$93.61</b>	<b>\$73.36</b>	<b>\$65.45</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.889	1.033	1.058	1.073	1.071
Net Realized and Unrealized Gain (Loss) on Investments	39.704	35.512	(1.232)	20.205	7.890
Total from Investment Operations	40.593	36.545	(.174)	21.278	8.961
<b>Distributions</b>					
Dividends from Net Investment Income	(2.223)	(1.165)	(1.036)	(1.028)	(1.051)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.223)	(1.165)	(1.036)	(1.028)	(1.051)
<b>Net Asset Value, End of Period</b>	<b>\$166.15</b>	<b>\$127.78</b>	<b>\$92.40</b>	<b>\$93.61</b>	<b>\$73.36</b>
<b>Total Return<sup>2</sup></b>	<b>32.39%</b>	<b>40.01%</b>	<b>-0.14%</b>	<b>29.24%</b>	<b>13.81%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$753	\$437	\$321	\$328	\$204
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.60%	1.06%	1.20%	1.28%	1.53%
Portfolio Turnover Rate <sup>3</sup>	8%	10%	9%	28%	6%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

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

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

During the year ended August 31, 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 August 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 August 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 year ended August 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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$245,000, representing less than 0.01% of the fund's net assets and 0.10% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. 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 August 31, 2021, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	7,417,778	—	3	7,417,781
Temporary Cash Investments	915	—	—	915
<b>Total</b>	<b>7,418,693</b>	<b>—</b>	<b>3</b>	<b>7,418,696</b>

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

	Amount (\$000)
Paid-in Capital	306,232
Total Distributable Earnings (Loss)	(306,232)

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	31,443
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(182,279)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	2,411,518

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	81,514	40,029
Long-Term Capital Gains	—	—
Total	81,514	40,029

\* Includes short-term capital gains, if any.

As of August 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	5,007,179
Gross Unrealized Appreciation	2,542,817
Gross Unrealized Depreciation	(131,299)
Net Unrealized Appreciation (Depreciation)	2,411,518

E. During the year ended August 31, 2021, the fund purchased \$2,568,135,000 of investment securities and sold \$1,038,125,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,832,917,000 and \$572,858,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$571,000 and sales were \$19,877,000, resulting in net realized gain (loss) of \$198,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

## F. Capital share transactions for each class of shares were:

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	1,907,066	6,682	928,490	4,882
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(586,506)	(2,250)	(1,003,299)	(5,650)
Net Increase (Decrease)—ETF Shares	1,320,560	4,432	(74,809)	(768)
<b>Admiral Shares</b>				
Issued	361,180	2,448	134,048	1,375
Issued in Lieu of Cash Distributions	7,024	57	3,403	36
Redeemed	(205,345)	(1,392)	(134,606)	(1,465)
Net Increase (Decrease)—Admiral Shares	162,859	1,113	2,845	(54)

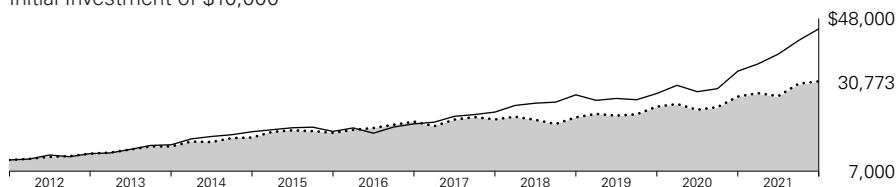
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Consumer Staples Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Consumer Staples Index Fund ETF Shares Net Asset Value	15.01%	8.81%	11.90%	\$30,773
Consumer Staples Index Fund ETF Shares Market Price	14.95	8.81	11.90	30,780
MSCI US Investable Market Consumer Staples 25/50 Index	15.15	8.91	12.02	31,108
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Consumer Staples Index Fund Admiral Shares	15.04%	8.82%	11.91%	\$308,089
MSCI US Investable Market Consumer Staples 25/50 Index	15.15	8.91	12.02	311,081
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Consumer Staples Index Fund ETF Shares Market Price	14.95%	52.55%	207.80%
Consumer Staples Index Fund ETF Shares Net Asset Value	15.01	52.53	207.73
MSCI US Investable Market Consumer Staples 25/50 Index	15.15	53.24	211.08

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Beverages	22.6%
Food & Staples Retailing	23.2
Food Products	19.6
Household Products	20.8
Personal Products	4.9
Tobacco	8.9

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

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

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

## Financial Statements

### Schedule of Investments

As of August 31, 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (100.0%)</b>								
<b>Beverages (22.6%)</b>								
Coca-Cola Co.	9,955,603	560,600	Hershey Co.	433,135	76,968	* Central Garden & Pet Co.	105,780	4,871
PepsiCo Inc.	3,331,693	521,044	Kraft Heinz Co.	1,970,420	70,915			<b>1,401,555</b>
* Monster Beverage Corp.	1,178,797	115,015	Tyson Foods Inc. Class A	871,349	68,418	<b>Personal Products (4.9%)</b>		
Constellation Brands Inc.			McCormick & Co. Inc.	735,641	63,478	Estee Lauder Cos. Inc.		
Class A	488,355	103,111	Conagra Brands Inc.	1,499,811	49,674	Class A	650,396	221,453
Keurig Dr Pepper Inc.	2,076,038	74,052	Kellogg Co.	769,884	48,611	* Herbalife Nutrition Ltd.	416,314	21,374
Brown-Forman Corp.			* Darling Ingredients Inc.	594,581	44,296	Medifast Inc.	66,686	15,198
Class B	916,066	64,326	J M Smucker Co.	337,610	41,752	* Coty Inc. Class A	1,430,145	13,972
Molson Coors Beverage Co. Class B	617,892	29,368	Hormel Foods Corp.	913,772	41,613	Nu Skin Enterprises Inc.		
* Boston Beer Co. Inc.			Bunge Ltd.	449,070	33,999	Class A	227,286	11,505
Class A	34,931	19,918	Lamb Weston Holdings Inc.	471,018	30,687	Edgewell Personal Care Co.	245,618	10,390
* Celsius Holdings Inc.	158,506	12,959	* Freshpet Inc.	184,254	23,610	Inter Parfums Inc.	135,336	9,817
Coca-Cola Consolidated Inc.	26,624	10,814	*.1 Beyond Meat Inc.	195,492	23,389	* elf Beauty Inc.	285,425	8,834
National Beverage Corp.	170,745	7,948	* Post Holdings Inc.	206,273	23,084	* BellRing Brands Inc.		
MGP Ingredients Inc.	111,202	7,262	Ingredion Inc.	237,323	20,851	Class A	251,973	8,509
		<b>1,526,417</b>	Campbell Soup Co.	471,367	19,670	* USANA Health Sciences Inc.	81,672	7,925
<b>Food &amp; Staples Retailing (23.2%)</b>			Flowers Foods Inc.	736,937	17,782			<b>328,977</b>
Walmart Inc.	3,759,707	556,813	Sanderson Farms Inc.	88,593	17,409	<b>Tobacco (8.9%)</b>		
Costco Wholesale Corp.	1,053,548	479,881	Lancaster Colony Corp.	77,371	13,713	Philip Morris International Inc.	2,996,995	308,691
Sysco Corp.	1,480,571	117,927	* Hain Celestial Group Inc.	362,685	13,568	Altria Group Inc.	5,173,827	259,881
Walgreens Boots Alliance Inc.	2,226,288	112,984	* Simply Good Foods Co.	375,042	13,359	Vector Group Ltd.	682,537	10,252
Kroger Co.	2,290,808	105,446	J & J Snack Foods Corp.	70,137	11,486	Universal Corp.	161,910	8,193
* Performance Food Group Co.	544,099	27,325	* TreeHouse Foods Inc.	281,284	10,540	Turning Point Brands Inc.	135,339	6,734
* BJ's Wholesale Club Holdings Inc.	461,276	26,136	* Hostess Brands Inc. Class A	647,657	10,337	* 22nd Century Group Inc.	1,673,501	5,974
Casey's General Stores Inc.	127,143	26,008	* B&G Foods Inc.	332,407	10,092			<b>599,725</b>
* U.S. Foods Holding Corp.	723,705	24,606	* Pilgrim's Pride Corp.	302,028	8,408	<b>Total Common Stocks (Cost \$5,570,326)</b>		
* United Natural Foods Inc.	352,634	12,977	*.1 Tattooed Chef Inc.	395,805	8,379			<b>6,751,737</b>
* Sprouts Farmers Market Inc.	510,243	12,705	Utz Brands Inc.	425,415	8,262	<b>Temporary Cash Investments (0.1%)</b>		
* Grocery Outlet Holding Corp.	414,632	10,793	Cal-Maine Foods Inc.	228,261	8,254	<b>Money Market Fund (0.1%)</b>		
PriceSmart Inc.	124,776	10,557	Fresh Del Monte Produce Inc.	245,215	8,063	<sup>2,3</sup> Vanguard Market Liquidity Fund, 0.068%		
* Rite Aid Corp.	453,163	8,039	John B Sanfilippo & Son Inc.	77,394	6,578	(Cost \$10,168)	101,685	10,169
Ingles Markets Inc. Class A	115,562	7,845	Calavo Growers Inc.	140,120	6,574	<b>Total Investments (100.1%) (Cost \$5,580,494)</b>		
* Chefs' Warehouse Inc.	259,182	7,835	Tootsie Roll Industries Inc.	175,636	5,559			<b>6,761,906</b>
Weis Markets Inc.	129,252	7,361	* Whole Earth Brands Inc.	379,662	4,761	<b>Other Assets and Liabilities—Net (-0.1%)</b>		
Andersons Inc.	239,539	7,277	* Mission Produce Inc.	154,901	3,213			<b>(7,905)</b>
SpartanNash Co.	322,118	6,926	* Vital Farms Inc.	175,494	3,155	<b>Net Assets (100.0%)</b>		
		<b>1,569,441</b>			<b>1,325,622</b>			<b>6,754,001</b>
<b>Food Products (19.6%)</b>			<b>Household Products (20.8%)</b>			Cost is in \$000.		
Mondelez International Inc. Class A	4,074,079	252,878	Procter & Gamble Co.	6,214,790	884,924	• See Note A in Notes to Financial Statements.		
General Mills Inc.	1,750,086	101,173	Colgate-Palmolive Co.	2,357,018	183,730	* Non-income-producing security.		
Archer-Daniels-Midland Co.	1,684,406	101,064	Kimberly-Clark Corp.	1,010,871	139,308	<sup>1</sup> Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$9,940,000.		
			Church & Dwight Co. Inc.	768,807	64,318	<sup>2</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
			Clorox Co.	374,931	63,007	<sup>3</sup> Collateral of \$10,172,000 was received for securities on loan, of which \$10,169,000 is held in Vanguard Market Liquidity Fund and \$3,000 is held in cash.		
			WD-40 Co.	63,902	15,313			
			Spectrum Brands Holdings Inc.	188,405	14,707			
			* Energizer Holdings Inc.	285,665	11,238			
			* Central Garden & Pet Co. Class A	259,749	10,824			
			Reynolds Consumer Products Inc.	329,375	9,315			

## Derivative Financial Instruments Outstanding as of Period End

## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Campbell Soup Co.	1/31/22	GSI	7,602	(0.089)	—	(300)

<sup>1</sup> 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.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$5,570,326)	6,751,737
Affiliated Issuers (Cost \$10,168)	10,169
Total Investments in Securities	6,761,906
Investment in Vanguard	223
Cash	3
Cash Collateral Pledged—Over-the-Counter Swap Contracts	530
Receivables for Investment Securities Sold	176,672
Receivables for Accrued Income	8,503
Receivables for Capital Shares Issued	619
<b>Total Assets</b>	<b>6,948,456</b>
<b>Liabilities</b>	
Due to Custodian	1,378
Payables for Investment Securities Purchased	177,918
Collateral for Securities on Loan	10,172
Payables for Capital Shares Redeemed	4,389
Payables to Vanguard	298
Unrealized Depreciation—Over-the-Counter Swap Contracts	300
<b>Total Liabilities</b>	<b>194,455</b>
<b>Net Assets</b>	<b>6,754,001</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	5,720,183
Total Distributable Earnings (Loss)	1,033,818
<b>Net Assets</b>	<b>6,754,001</b>

<b>ETF Shares—Net Assets</b>	
Applicable to 31,490,135 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,907,922
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$187.61</b>

<b>Admiral Shares—Net Assets</b>	
Applicable to 9,146,074 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	846,079
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$92.51</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	166,786
Interest <sup>1</sup>	8
Securities Lending—Net	234
Total Income	167,028
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	965
Management and Administrative— ETF Shares	4,215
Management and Administrative— Admiral Shares	629
Marketing and Distribution— ETF Shares	208
Marketing and Distribution— Admiral Shares	36
Custodian Fees	24
Auditing Fees	30
Shareholders' Reports—ETF Shares	290
Shareholders' Reports—Admiral Shares	18
Trustees' Fees and Expenses	3
Total Expenses	6,418
<b>Net Investment Income</b>	<b>160,610</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	385,035
Swap Contracts	(2,955)
<b>Realized Net Gain (Loss)</b>	<b>382,080</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	343,209
Swap Contracts	(649)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>342,560</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>885,250</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$8,000, \$3,000, and (\$2,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$429,542,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021                      2020 (\$000)                      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	160,610	156,532
Realized Net Gain (Loss)	382,080	311,395
Change in Unrealized Appreciation (Depreciation)	342,560	171,892
Net Increase (Decrease) in Net Assets Resulting from Operations	885,250	639,819
<b>Distributions</b>		
ETF Shares	(143,448)	(139,853)
Admiral Shares	(20,463)	(19,295)
Total Distributions	(163,911)	(159,148)
<b>Capital Share Transactions</b>		
ETF Shares	(432,751)	(5,661)
Admiral Shares	(37,372)	22,460
Net Increase (Decrease) from Capital Share Transactions	(470,123)	16,799
Total Increase (Decrease)	251,216	497,470
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>6,502,785</b>	<b>6,005,315</b>
<b>End of Period</b>	<b>6,754,001</b>	<b>6,502,785</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$167.31</b>	<b>\$154.72</b>	<b>\$140.13</b>	<b>\$140.15</b>	<b>\$139.97</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	4.385	3.992	3.896	3.603	3.651
Net Realized and Unrealized Gain (Loss) on Investments	20.341	12.658	14.346	(.033)	.212
Total from Investment Operations	24.726	16.650	18.242	3.570	3.863
<b>Distributions</b>					
Dividends from Net Investment Income	(4.427)	(4.060)	(3.652)	(3.590)	(3.683)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.427)	(4.060)	(3.652)	(3.590)	(3.683)
<b>Net Asset Value, End of Period</b>	<b>\$187.61</b>	<b>\$167.31</b>	<b>\$154.72</b>	<b>\$140.13</b>	<b>\$140.15</b>
<b>Total Return</b>	<b>15.01%</b>	<b>11.01%</b>	<b>13.24%</b>	<b>2.60%</b>	<b>2.83%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,908	\$5,712	\$5,296	\$3,983	\$3,780
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.50%	2.58%	2.71%	2.60%	2.63%
Portfolio Turnover Rate <sup>2</sup>	8%	3%	6%	8%	5%

1 Calculated based on average shares outstanding.

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

### Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$82.50</b>	<b>\$76.29</b>	<b>\$69.09</b>	<b>\$69.10</b>	<b>\$69.02</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.160	1.973	1.923	1.776	1.797
Net Realized and Unrealized Gain (Loss) on Investments	10.032	6.239	7.076	(.018)	.101
Total from Investment Operations	12.192	8.212	8.999	1.758	1.898
<b>Distributions</b>					
Dividends from Net Investment Income	(2.183)	(2.002)	(1.799)	(1.768)	(1.818)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.183)	(2.002)	(1.799)	(1.768)	(1.818)
<b>Net Asset Value, End of Period</b>	<b>\$92.51</b>	<b>\$82.50</b>	<b>\$76.29</b>	<b>\$69.09</b>	<b>\$69.10</b>
<b>Total Return<sup>2</sup></b>	<b>15.04%</b>	<b>11.03%</b>	<b>13.24%</b>	<b>2.59%</b>	<b>2.81%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$846	\$791	\$710	\$587	\$742
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.50%	2.59%	2.71%	2.60%	2.63%
Portfolio Turnover Rate <sup>3</sup>	8%	3%	6%	8%	5%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. **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 August 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.

3. **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.

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

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, 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 alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$223,000, representing less than 0.01% of the fund's net assets and 0.09% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	6,751,737	—	—	6,751,737
Temporary Cash Investments	10,169	—	—	10,169
Total	6,761,906	—	—	6,761,906
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	300	—	300

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

	Amount (\$000)
Paid-in Capital	428,613
Total Distributable Earnings (Loss)	(428,613)

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 recognition of

unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	23,842
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(168,707)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	1,178,683

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	163,911	159,148
Long-Term Capital Gains	—	—
Total	163,911	159,148

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	5,583,223
Gross Unrealized Appreciation	1,442,847
Gross Unrealized Depreciation	(264,164)
Net Unrealized Appreciation (Depreciation)	1,178,683

E. During the year ended August 31, 2021, the fund purchased \$1,324,378,000 of investment securities and sold \$1,779,304,000 of investment securities, other than temporary cash investments. Purchases and sales include \$768,932,000 and \$1,298,044,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$358,000 and sales were \$7,542,000, resulting in net realized gain (loss) of (\$363,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	871,879	4,824	1,146,786	7,587
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,304,630)	(7,475)	(1,152,447)	(7,675)
Net Increase (Decrease)—ETF Shares	(432,751)	(2,651)	(5,661)	(88)
<b>Admiral Shares</b>				
Issued	211,742	2,456	294,479	3,969
Issued in Lieu of Cash Distributions	16,733	197	15,970	211
Redeemed	(265,847)	(3,092)	(287,989)	(3,896)
Net Increase (Decrease)—Admiral Shares	(37,372)	(439)	22,460	284

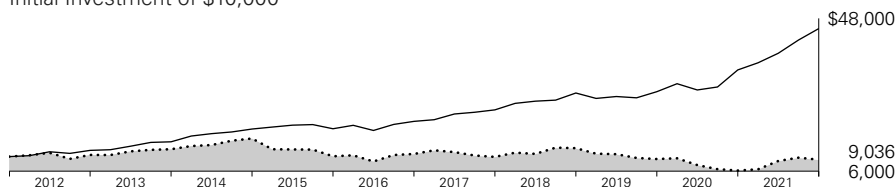
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Energy Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Energy Index Fund ETF Shares Net Asset Value	48.07%	-3.21%	-1.01%	\$ 9,036
Energy Index Fund ETF Shares Market Price	47.91	-3.21	-1.01	9,034
MSCI US Investable Market Energy 25/50 Index	48.27	-3.12	-0.88	9,154
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Energy Index Fund Admiral Shares	48.18%	-3.18%	-0.98%	\$ 90,583
MSCI US Investable Market Energy 25/50 Index	48.27	-3.12	-0.88	91,542
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Energy Index Fund ETF Shares Market Price	47.91%	-15.07%	-9.66%
Energy Index Fund ETF Shares Net Asset Value	48.07	-15.04	-9.64
MSCI US Investable Market Energy 25/50 Index	48.27	-14.65	-8.46

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Coal & Consumable Fuels	0.1 %
Integrated Oil & Gas	39.7
Oil & Gas Drilling	0.8
Oil & Gas Equipment & Services	9.2
Oil & Gas Exploration & Production	27.1
Oil & Gas Refining & Marketing	10.9
Oil & Gas Storage & Transportation	12.2

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

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

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

## Financial Statements

### Schedule of Investments

As of August 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.5%)</b>								
<b>Coal &amp; Consumable Fuels (0.1%)</b>								
* Arch Resources Inc.	101,406	7,675	Hess Corp.	1,203,818	82,762	* Renewable Energy Group Inc.	270,856	13,115
<b>Integrated Oil &amp; Gas (39.6%)</b>			Diamondback Energy Inc.	975,181	75,225	World Fuel Services Corp.	382,807	12,388
Exxon Mobil Corp.	22,395,441	1,221,000	Marathon Oil Corp.	4,500,069	52,876	* Clean Energy Fuels Corp.	1,090,777	8,650
Chevron Corp.	10,181,045	985,220	Texas Pacific Land Corp.	34,694	47,175	Delek U.S. Holdings Inc.	461,792	7,901
Occidental Petroleum Corp.	5,061,047	130,018	APA Corp.	2,091,541	40,743	PBF Energy Inc. Class A	648,054	6,740
		<b>2,336,238</b>	Ovintiv Inc.	1,474,380	40,192	* Par Pacific Holdings Inc.	259,298	4,276
<b>Oil &amp; Gas Drilling (0.7%)</b>			Cimarex Energy Co.	572,338	36,756	* Gevo Inc.	632,746	3,942
Helmerich & Payne Inc.	622,968	16,770	Cabot Oil & Gas Corp.	2,231,238	35,454	* REX American Resources Corp.	39,592	3,356
* Transocean Ltd.	3,474,153	12,368	EQT Corp.	1,442,670	26,444	CVR Energy Inc.	185,977	2,678
Patterson-UTI Energy Inc.	1,208,883	9,381	PDC Energy Inc.	608,513	25,405			<b>637,607</b>
* Nabors Industries Ltd. (XNYS)	66,383	5,599	* Antero Resources Corp.	1,525,871	20,935	<b>Oil &amp; Gas Storage &amp; Transportation (12.1%)</b>		
* Nabors Industries Ltd. Warrants Exp. 6/11/26	26,520	154	* Southwestern Energy Co. Continental	4,435,468	20,181	Kinder Morgan Inc.	11,117,691	180,885
		<b>44,272</b>	Resources Inc.	512,315	20,124	Williams Cos. Inc.	6,619,682	163,440
<b>Oil &amp; Gas Equipment &amp; Services (9.2%)</b>			Range Resources Corp.	1,359,392	19,874	ONEOK Inc.	2,409,225	126,533
Schlumberger NV	7,596,136	212,996	Matador Resources Co.	658,251	18,925	* Cheniere Energy Inc.	1,202,132	105,138
Halliburton Co.	4,825,665	96,417	Murphy Oil Corp.	865,516	18,401	Targa Resources Corp.	1,213,987	53,318
Baker Hughes Co. Class A	3,855,490	87,828	* Denbury Inc.	234,688	16,506	* DTE Midstream LLC	471,450	21,908
NOV Inc.	2,135,825	28,129	* CNX Resources Corp.	1,328,549	15,092	Equitrans Midstream Corp.	2,337,427	20,406
* ChampionX Corp.	1,131,336	26,394	SM Energy Co.	708,596	13,534	Antero Midstream Corp.	1,687,914	16,221
TechnipFMC plc	2,374,735	15,744	Magnolia Oil & Gas Corp. Class A	853,007	13,375	Plains GP Holdings LP Class A	998,271	9,743
Cactus Inc. Class A	314,814	11,809	* Callon Petroleum Co.	275,406	9,411	EnLink Midstream LLC	1,689,546	9,107
* Oceaneering International Inc.	624,717	7,684	* Centennial Resource Development Inc. Class A	1,519,193	7,748	International Seaways Inc.	248,961	4,282
Core Laboratories NV	264,784	7,297	* Whiting Petroleum Corp.	155,912	7,320	Hess Midstream LP Class A	155,170	3,994
Archrock Inc.	789,756	6,065	Oasis Petroleum Inc.	82,026	7,103	Dorian LPG Ltd.	213,097	2,817
Liberty Oilfield Services Inc. Class A	584,157	5,970	Viper Energy Partners LP	377,343	6,988			<b>717,792</b>
* Dril-Quip Inc.	214,189	5,205	* Tellurian Inc.	2,046,633	6,529	<b>Total Common Stocks (Cost \$7,063,427) 5,879,179</b>		
U.S. Silica Holdings Inc.	580,142	5,094	Bonanza Creek Energy Inc.	150,538	5,853	<b>Temporary Cash Investments (0.0%)</b>		
DMC Global Inc.	119,668	4,807	Kosmos Energy Ltd.	2,468,862	5,827	<b>Money Market Fund (0.0%)</b>		
* ProPetro Holding Corp.	557,069	4,312	Brigham Minerals Inc. Class A	277,787	5,311	<sup>1</sup> Vanguard Market Liquidity Fund, 0.068% (Cost \$8)	83	8
* NexTier Oilfield Solutions Inc.	1,101,379	3,965	* California Resources Corp.	147,971	5,065	<b>Total Investments (99.5%) (Cost \$7,063,435) 5,879,187</b>		
* Helix Energy Solutions Group Inc.	942,782	3,545	Northern Oil and Gas Inc.	275,471	4,573	<b>Other Assets and Liabilities—Net (0.5%) 26,726</b>		
* Tidewater Inc.	290,659	3,343	* Talos Energy Inc.	257,448	3,192	<b>Net Assets (100.0%) 5,905,913</b>		
* Frank's International NV	830,736	2,392	Berry Corp.	430,780	2,585	Cost is in \$000.		
RPC Inc.	453,652	1,737	* W&T Offshore Inc.	702,044	2,289	• See Note A in Notes to Financial Statements.		
		<b>540,733</b>	* Comstock Resources Inc.	314,471	1,859	* Non-income-producing security.		
<b>Oil &amp; Gas Exploration &amp; Production (27.0%)</b>				<b>1,594,862</b>		<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
ConocoPhillips	6,702,404	372,184	<b>Oil &amp; Gas Refining &amp; Marketing (10.8%)</b>					
EOG Resources Inc.	3,183,091	214,922	Marathon Petroleum Corp.	3,585,381	212,505			
Pioneer Natural Resources Co.	1,233,826	184,667	Phillips 66	2,405,970	171,040			
Devon Energy Corp.	3,433,408	101,457	Valero Energy Corp.	2,249,560	149,168			
			HollyFrontier Corp.	880,329	28,461			
			Green Plains Inc.	381,386	13,387			

## 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) (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Cheniere Energy Inc.	8/31/22	BOANA	6,122	(0.080) <sup>1</sup>	—	—
Hess Corp.	1/31/22	GSI	20,238	(0.089) <sup>2</sup>	386	—
					386	—

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

<sup>2</sup> 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.

BOANA—Bank of America, N.A.

GSI—Goldman Sachs International.

At August 31, 2021, the counterparties had deposited in segregated accounts securities with a value of \$750,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$7,063,427)	5,879,179
Affiliated Issuers (Cost \$8)	8
Total Investments in Securities	5,879,187
Investment in Vanguard	206
Cash Collateral Pledged—Over-the-Counter Swap Contracts	20
Receivables for Investment Securities Sold	65,592
Receivables for Accrued Income	45,511
Receivables for Capital Shares Issued	933
Unrealized Appreciation—Over-the-Counter Swap Contracts	386
<b>Total Assets</b>	<b>5,991,835</b>
<b>Liabilities</b>	
Due to Custodian	19,122
Payables for Investment Securities Purchased	66,054
Payables for Capital Shares Redeemed	491
Payables to Vanguard	255
<b>Total Liabilities</b>	<b>85,922</b>
<b>Net Assets</b>	<b>5,905,913</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	8,173,012
Total Distributable Earnings (Loss)	(2,267,099)
<b>Net Assets</b>	<b>5,905,913</b>

## ETF Shares—Net Assets

Applicable to 70,676,629 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,805,573
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$67.99</b>

## Admiral Shares—Net Assets

Applicable to 32,394,551 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,100,340
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$33.97</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	229,860
Interest <sup>1</sup>	15
Securities Lending—Net	383
Total Income	230,258
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	749
Management and Administrative— ETF Shares	3,059
Management and Administrative— Admiral Shares	691
Marketing and Distribution— ETF Shares	173
Marketing and Distribution— Admiral Shares	36
Custodian Fees	13
Auditing Fees	30
Shareholders' Reports—ETF Shares	202
Shareholders' Reports—Admiral Shares	9
Trustees' Fees and Expenses	2
Total Expenses	4,964
<b>Net Investment Income</b>	<b>225,294</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	111,873
Futures Contracts	(1)
Swap Contracts	7,296
Foreign Currencies	3
<b>Realized Net Gain (Loss)</b>	<b>119,171</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	1,393,849
Swap Contracts	2,382
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,396,231</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,740,696</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$15,000, \$7,000, and (\$7,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$274,638,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	225,294	164,582
Realized Net Gain (Loss)	119,171	(111,862)
Change in Unrealized Appreciation (Depreciation)	1,396,231	(1,055,673)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,740,696	(1,002,953)
<b>Distributions</b>		
ETF Shares	(165,567)	(125,010)
Admiral Shares	(32,990)	(18,446)
Total Distributions	(198,557)	(143,456)
<b>Capital Share Transactions</b>		
ETF Shares	812,839	693,979
Admiral Shares	424,314	81,692
Net Increase (Decrease) from Capital Share Transactions	1,237,153	775,671
Total Increase (Decrease)	2,779,292	(370,738)
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>3,126,621</b>	<b>3,497,359</b>
<b>End of Period</b>	<b>5,905,913</b>	<b>3,126,621</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$47.90</b>	<b>\$75.75</b>	<b>\$103.13</b>	<b>\$85.71</b>	<b>\$95.06</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.802	2.957	2.769	2.519	2.819 <sup>2</sup>
Net Realized and Unrealized Gain (Loss) on Investments	19.789	(28.064)	(27.449)	17.837	(9.801)
Total from Investment Operations	22.591	(25.107)	(24.680)	20.356	(6.982)
<b>Distributions</b>					
Dividends from Net Investment Income	(2.501)	(2.743)	(2.700)	(2.936)	(2.368)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.501)	(2.743)	(2.700)	(2.936)	(2.368)
<b>Net Asset Value, End of Period</b>	<b>\$67.99</b>	<b>\$47.90</b>	<b>\$75.75</b>	<b>\$103.13</b>	<b>\$85.71</b>
<b>Total Return</b>	<b>48.07%</b>	<b>-33.87%</b>	<b>-24.34%</b>	<b>24.06%</b>	<b>-7.55%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,806	\$2,720	\$3,029	\$4,288	\$3,656
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	4.54%	4.91%	3.15%	2.56%	2.93% <sup>2</sup>
Portfolio Turnover Rate <sup>3</sup>	5%	8%	7%	5%	11%

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.453 and 0.47%, respectively, from income received as a result of General Electric Co. and Baker Hughes Inc. merger in July 2017.

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

### Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$23.93</b>	<b>\$37.84</b>	<b>\$51.52</b>	<b>\$42.82</b>	<b>\$47.49</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.435	1.461	1.388	1.249	1.375 <sup>2</sup>
Net Realized and Unrealized Gain (Loss) on Investments	9.855	(14.001)	(13.720)	8.916	(4.863)
Total from Investment Operations	11.290	(12.540)	(12.332)	10.165	(3.488)
<b>Distributions</b>					
Dividends from Net Investment Income	(1.250)	(1.370)	(1.348)	(1.465)	(1.182)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.250)	(1.370)	(1.348)	(1.465)	(1.182)
<b>Net Asset Value, End of Period</b>	<b>\$33.97</b>	<b>\$23.93</b>	<b>\$37.84</b>	<b>\$51.52</b>	<b>\$42.82</b>
<b>Total Return<sup>3</sup></b>	<b>48.18%</b>	<b>-33.82%</b>	<b>-24.33%</b>	<b>24.06%</b>	<b>-7.56%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,100	\$407	\$468	\$642	\$523
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	4.52%	4.84%	3.15%	2.56%	2.93% <sup>2</sup>
Portfolio Turnover Rate <sup>4</sup>	5%	8%	7%	5%	11%

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.228 and 0.47%, respectively, from income received as a result of General Electric Co. and Baker Hughes Inc. merger in July 2017.

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

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

## Notes to Financial Statements

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

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 August 31, 2021, the fund's average investments in long and short futures contracts represented 0% 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 August 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 August 31, 2021, the fund's average amounts of investments in total return swaps represented 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$206,000, representing less than 0.01% of the fund's net assets and 0.08% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	5,866,811	12,368	—	5,879,179
Temporary Cash Investments	8	—	—	8
Total	5,866,819	12,368	—	5,879,187
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Swap Contracts	—	386	—	386
<b>Liabilities</b>				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	274,387
Total Distributable Earnings (Loss)	(274,387)

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 recognition of unrealized gains or losses from derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	72,459
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(1,086,540)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	(1,253,018)

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	198,557	143,456
Long-Term Capital Gains	—	—
Total	198,557	143,456

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	7,132,206
Gross Unrealized Appreciation	576,590
Gross Unrealized Depreciation	(1,829,608)
Net Unrealized Appreciation (Depreciation)	(1,253,018)

E. During the year ended August 31, 2021, the fund purchased \$2,353,846,000 of investment securities and sold \$1,087,860,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,450,064,000 and \$862,019,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$4,720,000 and sales were \$3,543,000, resulting in net realized gain (loss) of (\$932,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	1,677,226	28,056	1,802,367	36,134
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(864,387)	(14,150)	(1,108,388)	(19,350)
Net Increase (Decrease)—ETF Shares	812,839	13,906	693,979	16,784
<b>Admiral Shares</b>				
Issued	770,533	26,470	415,739	16,420
Issued in Lieu of Cash Distributions	30,065	981	16,719	566
Redeemed	(376,284)	(12,066)	(350,766)	(12,349)
Net Increase (Decrease)—Admiral Shares	424,314	15,385	81,692	4,637

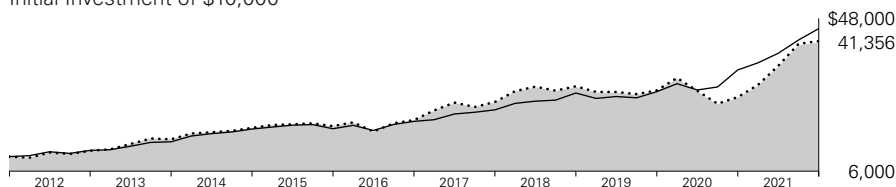
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Financials Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Financials Index Fund ETF Shares Net Asset Value	58.26%	15.69%	15.25%	\$41,356
Financials Index Fund ETF Shares Market Price	58.22	15.69	15.25	41,340
MSCI US Investable Market Financials 25/50 Index	58.41	15.80	15.36	41,747
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Financials Index Fund Admiral Shares	58.32%	15.70%	15.26%	\$413,815
MSCI US Investable Market Financials 25/50 Index	58.41	15.80	15.36	417,472
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Financials Index Fund ETF Shares Market Price	58.22%	107.27%	313.40%
Financials Index Fund ETF Shares Net Asset Value	58.26	107.25	313.56
MSCI US Investable Market Financials 25/50 Index	58.41	108.25	317.47

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Banks	37.5%
Capital Markets	27.9
Consumer Finance	6.2
Diversified Financial Services	7.7
Insurance	18.1
IT Services	0.0
Mortgage Real Estate Investment Trusts (REITs)	1.4
Other	0.0
Thrifts & Mortgage Finance	1.2

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

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

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

# Financial Statements

## Schedule of Investments

As of August 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.8%)</b>								
<b>Banks (37.5%)</b>								
JPMorgan Chase & Co.	6,838,445	1,093,809	First Hawaiian Inc.	294,513	8,220	Seacoast Banking Corp. of Florida	123,679	3,950
Bank of America Corp.	17,422,746	727,400	ServisFirst Bancshares Inc.	110,432	8,108	Great Western Bancorp Inc.	123,463	3,822
Wells Fargo & Co.	9,338,092	426,751	Home BancShares Inc.	355,067	7,865	Hope Bancorp Inc.	276,498	3,813
Citigroup Inc.	4,669,652	335,795	Ameris Bancorp	158,183	7,789	Lakeland Financial Corp.	56,410	3,746
U.S. Bancorp	3,196,717	183,460	Texas Capital Bancshares Inc.	113,541	7,720	Enterprise Financial Services Corp.	82,894	3,723
PNC Financial Services Group Inc.	959,754	183,409	Bank of Hawaii Corp.	91,472	7,666	NBT Bancorp Inc.	97,942	3,512
Truist Financial Corp.	3,037,600	173,325	Pacific Premier Bancorp Inc.	191,722	7,661	Westamerica BanCorp.	60,043	3,407
First Republic Bank	397,560	79,091	Investors Bancorp Inc.	534,870	7,654	FB Financial Corp.	74,142	3,054
SVB Financial Group	126,189	70,603	Eastern Bankshares Inc.	382,330	7,562	Berkshire Hills Bancorp Inc.	113,855	2,918
Fifth Third Bancorp	1,589,953	61,786	Associated Banc-Corp.	347,398	7,163	Stock Yards Bancorp Inc.	56,579	2,918
Huntington Bancshares Inc.	3,334,607	51,786	Simmons First National Corp. Class A	246,586	7,163	First Commonwealth Financial Corp.	215,745	2,917
KeyCorp	2,191,488	44,531	Cathay General Bancorp	171,056	6,805	Customers Bancorp Inc.	70,152	2,905
Regions Financial Corp.	2,170,653	44,346	BancorpSouth Bank	231,495	6,790	Bancorp Inc.	116,670	2,877
Citizens Financial Group Inc.	961,798	42,117	Atlantic Union Bankshares Corp.	177,330	6,561	OceanFirst Financial Corp.	134,994	2,870
M&T Bank Corp.	290,517	40,675	Old National Bancorp	377,015	6,281	City Holding Co.	35,363	2,755
Signature Bank	130,205	33,766	BOK Financial Corp.	70,823	6,236	OFB Bancorp	115,171	2,742
East West Bancorp Inc.	320,459	23,502	First BanCorp. (XNYS)	487,808	6,210	First Busey Corp.	115,599	2,740
Comerica Inc.	315,379	23,310	Silvergate Capital Corp. Class A	54,378	6,144	First BanCorp.	64,256	2,683
Western Alliance Bancorp	233,897	22,819	Cadence BanCorp. Class A	283,684	6,102	Brookline Bancorp Inc.	177,562	2,658
Zions Bancorp NA	369,670	21,404	United Community Banks Inc.	198,130	5,978	Tompkins Financial Corp.	33,362	2,655
First Horizon Corp.	1,250,333	20,493	CVB Financial Corp.	290,140	5,907	Southside Bancshares Inc.	70,420	2,654
Commerce Bancshares Inc.	237,898	16,824	Columbia Banking System Inc.	161,452	5,870	TriCo Bancshares	66,612	2,634
Pinnacle Financial Partners Inc.	172,343	16,703	Fulton Financial Corp.	370,331	5,870	S&T Bancorp Inc.	87,857	2,618
People's United Financial Inc.	966,526	15,880	Independent Bank Group Inc.	83,293	5,866	National Bank Holdings Corp. Class A	68,729	2,577
Cullen/Frost Bankers Inc.	136,663	15,610	Independent Bank Corp. (XNGS)	74,226	5,693	Dime Community Bancshares Inc.	73,744	2,434
Prosperity Bancshares Inc.	209,294	14,625	WesBanco Inc.	153,942	5,234	ConnectOne Bancorp Inc.	80,111	2,292
First Financial Bankshares Inc.	305,330	14,540	First Financial Bancorp	220,169	5,176	BancFirst Corp.	40,282	2,278
Synovus Financial Corp.	335,414	14,456	First Merchants Corp.	123,588	5,086	Preferred Bank	33,544	2,143
Popular Inc.	182,204	13,837	International Bancshares Corp.	121,329	5,081	German American Bancorp Inc.	56,750	2,120
CIT Group Inc.	223,889	12,408	Towne Bank	162,911	4,964	Origin Bancorp Inc.	50,262	2,068
Valley National Bancorp	916,134	11,946	Hilltop Holdings Inc.	148,215	4,961	Washington Trust Bancorp Inc.	38,600	2,056
Bank OZK	274,993	11,668	First Midwest Bancorp Inc.	261,934	4,906	Heritage Financial Corp.	80,299	2,044
First Citizens BancShares Inc. Class A	12,925	11,603	Sandy Spring Bancorp Inc.	108,148	4,712	First Foundation Inc.	84,898	2,040
Glacier Bancorp Inc.	216,031	11,506	Trustmark Corp.	145,551	4,602	First Bancorp Inc. (XNMS)	48,422	1,962
PacWest Bancorp	265,269	11,287	Banner Corp.	78,993	4,518	Lakeland Bancorp Inc.	113,087	1,909
South State Corp.	160,711	11,022	Renasant Corp.	126,364	4,435	QCR Holdings Inc.	36,149	1,878
United Bankshares Inc.	292,703	10,634	Live Oak Bancshares Inc.	72,265	4,423	1st Source Corp.	39,610	1,862
Webster Financial Corp.	203,894	10,301	Triumph Bancorp Inc.	53,084	4,365	Bryn Mawr Bank Corp.	44,671	1,823
Sterling Bancorp	437,005	10,003	Heartland Financial USA Inc.	91,955	4,325	Banc of California Inc.	100,190	1,800
Umpqua Holdings Corp.	501,509	9,764	Eagle Bancorp Inc.	73,184	4,223	Univest Financial Corp.	65,428	1,772
Wintrust Financial Corp.	128,964	9,652	Park National Corp.	35,735	4,190	Harborone Bancorp Inc.	117,801	1,665
UMB Financial Corp.	104,337	9,555	First Interstate BancSystem Inc. Class A	95,063	4,188	Allegiance Bancshares Inc.	43,586	1,620
Hancock Whitney Corp.	196,155	9,015	Veritex Holdings Inc.	110,412	3,967	Central Pacific Financial Corp.	63,202	1,600
Community Bank System Inc.	121,209	8,969				Horizon Bancorp Inc.	88,588	1,581
BankUnited Inc.	210,512	8,848				Camden National Corp.	33,747	1,575
FNB Corp.	724,442	8,461						

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Nicolet Bankshares Inc.	20,497	1,566	Nasdaq Inc.	259,734	50,851	Diamond Hill Investment Group Inc.	6,729	1,232
Heritage Commerce Corp.	134,080	1,511	MarketAxess Holdings Inc.	85,800	40,834	Sculptor Capital Management Inc. Class A	42,543	1,204
Community Trust Bancorp Inc.	35,783	1,491	Raymond James Financial Inc.	279,662	39,125	* Assetmark Financial Holdings Inc.	40,512	1,089
Peapack-Gladstone Financial Corp.	43,723	1,456	FactSet Research Systems Inc.	85,434	32,484	Oppenheimer Holdings Inc. Class A	20,974	977
Peoples Bancorp Inc.	45,701	1,428	Cboe Global Markets Inc.	241,231	30,431	GAMCO Investors Inc. Class A	12,313	336
* CrossFirst Bankshares Inc.	105,509	1,395	LPL Financial Holdings Inc.	180,544	26,693	Associated Capital Group Inc. Class A	7,240	267
Byline Bancorp Inc.	56,027	1,378	Apollo Global Management Inc. Class A	393,736	23,537			3,273,051
Great Southern Bancorp Inc.	24,930	1,358	Franklin Resources Inc.	683,241	22,164	<b>Consumer Finance (6.2%)</b>		
Cambridge Bancorp	15,535	1,332	Ares Management Corp. Class A	274,938	21,220	American Express Co.	1,542,240	255,950
Hanmi Financial Corp.	68,893	1,328	Tradeweb Markets Inc. Class A	236,603	20,587	Capital One Financial Corp.	1,019,954	169,282
Flushing Financial Corp.	57,547	1,320	Invesco Ltd.	781,873	19,797	Discover Financial Services	688,592	88,291
* Amerant Bancorp Inc. (XNGS)	48,172	1,280	Carlyle Group Inc.	360,283	17,791	Synchrony Financial	1,313,877	65,365
Arrow Financial Corp.	34,706	1,279	Jefferies Financial Group Inc.	472,830	17,476	Ally Financial Inc.	837,206	44,288
Bank of Marin Bancorp	35,161	1,273	SEI Investments Co.	275,004	17,273	SLM Corp.	656,775	12,315
* TriState Capital Holdings Inc.	62,702	1,267	Stifel Financial Corp.	237,350	16,401	* Credit Acceptance Corp.	20,742	12,024
Midland States Bancorp Inc.	49,449	1,251	Affiliated Managers Group Inc.	94,070	16,002	OneMain Holdings Inc.	182,609	10,560
First Mid Bancshares Inc.	29,699	1,215	Janus Henderson Group plc	350,723	15,207	* Upstart Holdings Inc.	43,437	9,952
Financial Institutions Inc.	36,653	1,164	Morningstar Inc.	53,542	14,349	Navient Corp.	405,387	9,409
Republic Bancorp Inc. Class A	22,900	1,148	Evercore Inc. Class A	92,485	12,915	FirstCash Inc.	93,248	7,990
First of Long Island Corp.	53,895	1,143	Interactive Brokers Group Inc. Class A	184,866	11,950	* PROG Holdings Inc.	152,846	7,233
Altabancorp	27,381	1,137	Houlihan Lokey Inc. Class A	116,774	10,533	* LendingClub Corp.	208,669	6,481
First Community Bankshares Inc.	35,614	1,113	Moelis & Co. Class A	138,670	8,591	* Green Dot Corp. Class A	111,184	5,808
Bank First Corp.	15,522	1,102	Artisan Partners Asset Management Inc. Class A	147,455	7,662	Santander Consumer USA Holdings Inc.	137,778	5,750
Mercantile Bank Corp.	34,922	1,090	* Open Lending Corp. Class A	200,949	7,429	* LendingTree Inc.	27,160	4,526
* Atlantic Capital Bancshares Inc.	44,240	1,072	Federated Hermes Inc. Class A	212,604	7,192	* PRA Group Inc.	102,573	4,308
First Financial Corp.	25,997	1,051	Hamilton Lane Inc. Class A	77,879	6,703	* Encore Capital Group Inc.	70,108	3,450
CBTX Inc.	37,574	1,023	* Focus Financial Partners Inc. Class A	120,514	6,252	Nelnet Inc. Class A	37,984	3,072
MidWestOne Financial Group Inc.	34,277	1,006	Piper Sandler Cos.	40,939	5,851	* Enova International Inc.	83,546	2,755
Farmers National Banc Corp.	63,371	989	Virtus Investment Partners Inc.	17,380	5,435	* World Acceptance Corp.	9,121	1,732
Independent Bank Corp.	46,567	975	Virtu Financial Inc. Class A	201,533	4,933	* Oportun Financial Corp.	37,296	942
Century Bancorp Inc. Class A	6,487	742	Cohen & Steers Inc.	55,007	4,825	Curo Group Holdings Corp.	41,119	673
Amalgamated Financial Corp.	31,576	491	PJT Partners Inc. Class A	52,784	4,169			732,156
* Amerant Bancorp Inc.	17,830	396	StepStone Group Inc. Class A	86,007	4,117	<b>Diversified Financial Services (7.7%)</b>		
		4,409,975	BrightSphere Investment Group Inc.	134,188	3,649	* Berkshire Hathaway Inc. Class B	2,996,826	856,403
<b>Capital Markets (27.8%)</b>			BGC Partners Inc. Class A	688,525	3,546	Equitable Holdings Inc.	870,854	27,005
Morgan Stanley	3,152,444	329,210	* StoneX Group Inc.	38,738	2,700	Voya Financial Inc.	273,895	17,798
BlackRock Inc.	344,537	324,998	*.1 Freedom Holding Corp.	39,286	2,531	* Cannae Holdings Inc.	186,009	5,937
Goldman Sachs Group Inc.	767,569	317,397	* Donnelley Financial Solutions Inc.	67,526	2,252	Alerus Financial Corp.	34,830	1,040
S&P Global Inc.	544,211	241,532	B Riley Financial Inc.	33,030	2,165			908,183
Charles Schwab Corp.	3,265,981	237,927	* Cowen Inc. Class A	53,614	1,932	<b>Insurance (18.0%)</b>		
Blackstone Inc.	1,545,747	194,347	* Blucora Inc.	107,931	1,771	Chubb Ltd.	1,015,911	186,846
CME Group Inc.	811,240	163,643	WisdomTree Investments Inc.	250,229	1,579	Marsh & McLennan Cos. Inc.	1,148,633	180,565
Intercontinental Exchange Inc.	1,271,191	151,945	Victory Capital Holdings Inc. Class A	36,378	1,274	Aon plc Class A	509,740	146,224
Moody's Corp.	380,588	144,916				Progressive Corp.	1,321,959	127,358
MSCI Inc. Class A	186,199	118,158				American International Group Inc.	1,938,924	105,788
Bank of New York Mellon Corp.	1,882,319	103,942				MetLife Inc.	1,680,912	104,217
T Rowe Price Group Inc.	412,588	92,366				Prudential Financial Inc.	890,228	94,257
KKR & Co. Inc.	1,182,725	76,037				Allstate Corp.	676,341	91,495
State Street Corp.	785,498	72,981				Travelers Cos. Inc.	568,201	90,747
Ameriprise Financial Inc.	261,778	71,442				Aflac Inc.	1,458,532	82,670
Northern Trust Corp.	446,570	52,927				Arthur J Gallagher & Co.	465,882	66,910
						Willis Towers Watson plc	291,327	64,302
						Hartford Financial Services Group Inc.	807,348	54,270

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Cincinnati Financial Corp.	345,787	42,670	ProAssurance Corp. Safety Insurance Group Inc.	121,192	3,090	KKR Real Estate Finance Trust Inc.	68,588	1,463
Principal Financial Group Inc.	614,781	41,074	Employers Holdings Inc.	63,490	2,614	TPG RE Finance Trust Inc.	112,093	1,412
* Markel Corp.	31,085	39,486	* AMERISAFE Inc.	43,410	2,498	Dynex Capital Inc.	68,228	1,212
* Arch Capital Group Ltd.	911,211	37,451	* eHealth Inc.	55,169	2,132	Orchid Island Capital Inc.	209,824	1,053
Brown & Brown Inc.	541,309	31,423	* SiriusPoint Ltd.	204,440	2,006			160,020
Fidelity National Financial Inc.	619,916	30,270	State Auto Financial Corp.	39,272	1,986	<b>Other (0.0%)<sup>2</sup></b>		
Loews Corp.	505,218	28,227	HCI Group Inc.	15,466	1,727	* <sup>3</sup> NewStar Financial Inc. CVR	42,593	4
Lincoln National Corp.	408,556	28,047	* Ambac Financial Group Inc.	102,898	1,450			
W R Berkley Corp.	320,239	24,117	* MBIA Inc.	114,027	1,276	<b>Thriffs &amp; Mortgage Finance (1.2%)</b>		
Everest Re Group Ltd.	90,497	23,973	United Fire Group Inc.	48,108	1,249	New York Community Bancorp Inc.	1,046,834	13,106
Assurant Inc.	136,917	23,291	* Selectquote Inc.	127,751	1,220	Essent Group Ltd.	255,321	12,021
American Financial Group Inc.	163,613	22,569	National Western Life Group Inc. Class A	5,351	1,186	MGIC Investment Corp.	769,567	11,751
* Alleghany Corp.	31,538	21,341	* GoHealth Inc. Class A	110,068	535	Radian Group Inc.	430,903	10,182
Globe Life Inc.	221,155	21,246	* Crawford & Co. Class A	34,521	344	PennyMac Financial Services Inc.	120,437	8,015
* Athene Holding Ltd. Class A	303,916	20,353	* Trean Insurance Group Inc.	28,521	291	Walker & Dunlop Inc.	67,919	7,542
Reinsurance Group of America Inc.	153,132	17,736			2,123,901	* Mr Cooper Group Inc.	155,501	6,046
RenaissanceRe Holdings Ltd.	111,598	17,491	<b>IT Services (0.0%)</b>			* Flagstar Bancorp Inc.	120,409	5,955
First American Financial Corp.	247,806	17,478	* BM Technologies Inc. (XASE)	8,896	87	* Axos Financial Inc.	119,667	5,802
Old Republic International Corp.	653,806	16,999	<b>Mortgage Real Estate Investment Trusts (REITs) (1.4%)</b>			Washington Federal Inc.	163,190	5,434
Primerica Inc.	88,923	13,600	Annaly Capital Management Inc.	3,161,302	27,472	Rocket Cos. Inc. Class A	309,966	5,378
Unum Group	462,640	12,315	AGNC Investment Corp.	1,187,027	19,360	WSFS Financial Corp.	106,838	4,852
Hanover Insurance Group Inc.	80,770	11,414	Starwood Property Trust Inc.	648,325	16,727	* NMI Holdings Inc. Class A	186,337	4,206
Selective Insurance Group Inc.	135,590	11,331	New Residential Investment Corp.	1,054,308	11,513	Provident Financial Services Inc.	178,949	3,949
Erie Indemnity Co. Class A	57,561	10,193	Hannon Armstrong Sustainable Infrastructure Capital Inc.	177,646	10,724	Northwest Bancshares Inc.	272,252	3,545
RLI Corp.	92,189	10,070	Blackstone Mortgage Trust Inc. Class A	316,403	10,381	Capitol Federal Financial Inc.	294,717	3,401
Kemper Corp.	146,608	10,057	Chimera Investment Corp.	524,004	8,028	Meta Financial Group Inc.	68,507	3,370
* Brighthouse Financial Inc.	193,244	9,461	Arbor Realty Trust Inc.	286,469	5,237	Premier Financial Corp.	83,741	2,546
Kinsale Capital Group Inc.	49,226	8,952	Apollo Commercial Real Estate Finance Inc.	313,157	4,870	TFS Financial Corp.	125,689	2,513
Axis Capital Holdings Ltd.	172,405	8,822	Two Harbors Investment Corp.	703,779	4,645	Meridian Bancorp Inc.	105,919	2,201
Assured Guaranty Ltd.	170,542	8,503	MFA Financial Inc.	911,127	4,373	Kearny Financial Corp.	169,158	2,147
White Mountains Insurance Group Ltd.	6,985	7,829	PennyMac Mortgage Investment Trust	221,208	4,294	* Columbia Financial Inc.	113,806	2,052
CNO Financial Group Inc.	296,433	7,251	New York Mortgage Trust Inc.	847,682	3,747	Federal Agricultural Mortgage Corp. Class C	20,596	2,016
* Trupanion Inc.	76,878	7,040	Redwood Trust Inc.	260,702	3,251	HomeStreet Inc.	48,974	2,001
* <sup>1</sup> Lemonade Inc.	83,780	6,329	Broadmark Realty Capital Inc.	281,926	2,963	Northfield Bancorp Inc.	107,416	1,815
* Enstar Group Ltd.	27,079	6,246	Ladder Capital Corp. Class A	258,019	2,944	TrustCo Bank Corp. NY	43,197	1,386
Goosehead Insurance Inc. Class A	41,885	6,148	Ellington Financial Inc.	107,232	1,986	Hingham Institution for Savings	3,075	998
American Equity Investment Life Holding Co.	192,898	6,113	Invesco Mortgage Capital Inc.	636,575	1,986	Waterstone Financial Inc.	48,276	979
* Palomar Holdings Inc.	55,556	4,989	Ready Capital Corp.	128,682	1,970	Merchants Bancorp	22,413	822
* Genworth Financial Inc. Class A	1,134,850	4,256	BrightSpire Capital Inc. Class A	187,258	1,876	* Bridgewater Bancshares Inc.	47,061	769
Argo Group International Holdings Ltd.	77,681	4,109	ARMOUR Residential REIT Inc.	162,576	1,766	Luther Burbank Corp.	34,340	445
Horace Mann Educators Corp.	95,105	3,899	Granite Point Mortgage Trust Inc.	123,623	1,701			137,245
Stewart Information Services Corp.	59,982	3,776	Ares Commercial Real Estate Corp.	99,996	1,578	<b>Total Common Stocks (Cost \$9,090,590)</b>		11,744,622
Mercury General Corp.	62,243	3,717	Capstead Mortgage Corp.	215,979	1,488		Face Amount (\$000)	
* BRP Group Inc. Class A	94,638	3,563				<b>Corporate Bonds (0.0%)</b>		
American National Group Inc.	18,222	3,508				<b>Financials (0.0%)</b>		
James River Group Holdings Ltd.	85,079	3,130				GAMCO Investors Inc. 4.000%, 10/30/2021 (Cost \$25)	25	25

	Shares	Market Value• (\$000)
<b>Temporary Cash Investments (0.2%)</b>		
<b>Money Market Fund (0.2%)</b>		
<sup>4,5</sup> Vanguard Market Liquidity Fund, 0.068% (Cost \$19,582)	195,835	19,584
<b>Total Investments (100.0%)</b> <b>(Cost \$9,110,197)</b>		<b>11,764,231</b>
<b>Other Assets and Liabilities—</b> <b>Net (0.0%)</b>		<b>3,641</b>
<b>Net Assets (100.0%)</b>		<b>11,767,872</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$8,167,000.

2 “Other” represents securities that are not classified by the fund’s benchmark index.

3 Security value determined using significant unobservable inputs.

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

5 Collateral of \$8,398,000 was received for securities on loan.

CVR—Contingent Value Rights.

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) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
T Rowe Price Group Inc.	8/31/22	BOANA	22,387	0.020	—	—

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

1M—1-month.

BOANA—Bank of America, N.A.

At August 31, 2021, the counterparties had deposited in segregated accounts securities with a value of \$385,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$9,090,615)	11,744,647
Affiliated Issuers (Cost \$19,582)	19,584
Total Investments in Securities	11,764,231
Investment in Vanguard	378
Receivables for Investment Securities Sold	52,228
Receivables for Accrued Income	12,610
Receivables for Capital Shares Issued	734
Unrealized Appreciation—Over-the-Counter Swap Contracts	—
<b>Total Assets</b>	<b>11,830,181</b>
<b>Liabilities</b>	
Due to Custodian	1,168
Payables for Investment Securities Purchased	50,270
Collateral for Securities on Loan	8,398
Payables for Capital Shares Redeemed	1,958
Payables to Vanguard	515
<b>Total Liabilities</b>	<b>62,309</b>
<b>Net Assets</b>	<b>11,767,872</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	9,212,074
Total Distributable Earnings (Loss)	2,555,798
<b>Net Assets</b>	<b>11,767,872</b>

## ETF Shares—Net Assets

Applicable to 115,476,377 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	10,945,972
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$94.79</b>

## Admiral Shares—Net Assets

Applicable to 17,301,118 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	821,900
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$47.51</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	202,330
Interest <sup>1</sup>	8
Securities Lending—Net	421
<b>Total Income</b>	<b>202,759</b>
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	1,384
Management and Administrative— ETF Shares	6,588
Management and Administrative— Admiral Shares	500
Marketing and Distribution— ETF Shares	335
Marketing and Distribution— Admiral Shares	27
Custodian Fees	34
Auditing Fees	31
Shareholders' Reports—ETF Shares	324
Shareholders' Reports—Admiral Shares	8
Trustees' Fees and Expenses	3
<b>Total Expenses</b>	<b>9,234</b>
<b>Net Investment Income</b>	<b>193,525</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	434,989
Futures Contracts	204
Swap Contracts	9,269
<b>Realized Net Gain (Loss)</b>	<b>444,462</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	3,301,996
Swap Contracts	(110)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>3,301,886</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>3,939,873</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$8,000, less than \$1,000, and less than \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$453,181,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	193,525	180,912
Realized Net Gain (Loss)	444,462	371,643
Change in Unrealized Appreciation (Depreciation)	3,301,886	(1,036,102)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>3,939,873</b>	<b>(483,547)</b>
<b>Distributions</b>		
ETF Shares	(169,520)	(175,958)
Admiral Shares	(12,270)	(11,934)
<b>Total Distributions</b>	<b>(181,790)</b>	<b>(187,892)</b>
<b>Capital Share Transactions</b>		
ETF Shares	1,303,483	(454,049)
Admiral Shares	133,926	(14,373)
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>1,437,409</b>	<b>(468,422)</b>
<b>Total Increase (Decrease)</b>	<b>5,195,492</b>	<b>(1,139,861)</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>6,572,380</b>	<b>7,712,241</b>
<b>End of Period</b>	<b>11,767,872</b>	<b>6,572,380</b>

# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$61.18</b>	<b>\$67.31</b>	<b>\$71.60</b>	<b>\$62.26</b>	<b>\$50.81</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.676	1.652	1.539	1.298	1.035
Net Realized and Unrealized Gain (Loss) on Investments	33.519	(6.081)	(4.338)	9.307	11.387
Total from Investment Operations	35.195	(4.429)	(2.799)	10.605	12.422
<b>Distributions</b>					
Dividends from Net Investment Income	(1.585)	(1.701)	(1.491)	(1.265)	(.972)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.585)	(1.701)	(1.491)	(1.265)	(.972)
<b>Net Asset Value, End of Period</b>	<b>\$94.79</b>	<b>\$61.18</b>	<b>\$67.31</b>	<b>\$71.60</b>	<b>\$62.26</b>
<b>Total Return</b>	<b>58.26%</b>	<b>-6.73%</b>	<b>-3.85%</b>	<b>17.15%</b>	<b>24.65%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$10,946	\$6,140	\$7,222	\$8,512	\$6,127
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.09%	2.53%	2.30%	1.87%	1.75%
Portfolio Turnover Rate <sup>2</sup>	4%	5%	5%	3%	5%

1 Calculated based on average shares outstanding.

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

## Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$30.66</b>	<b>\$33.73</b>	<b>\$35.88</b>	<b>\$31.20</b>	<b>\$25.47</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.841	.828	.771	.651	.514
Net Realized and Unrealized Gain (Loss) on Investments	16.803	(3.046)	(2.174)	4.663	5.704
Total from Investment Operations	17.644	(2.218)	(1.403)	5.314	6.218
<b>Distributions</b>					
Dividends from Net Investment Income	(.794)	(.852)	(.747)	(.634)	(.488)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.794)	(.852)	(.747)	(.634)	(.488)
<b>Net Asset Value, End of Period</b>	<b>\$47.51</b>	<b>\$30.66</b>	<b>\$33.73</b>	<b>\$35.88</b>	<b>\$31.20</b>
<b>Total Return<sup>2</sup></b>	<b>58.32%</b>	<b>-6.70%</b>	<b>-3.87%</b>	<b>17.16%</b>	<b>24.62%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$822	\$432	\$490	\$690	\$518
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.09%	2.53%	2.30%	1.87%	1.75%
Portfolio Turnover Rate <sup>3</sup>	4%	5%	5%	3%	5%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. Bonds and temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value.

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

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

During the year ended August 31, 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 August 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 August 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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$378,000, representing less than 0.01% of the fund's net assets and 0.15% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	11,744,618	—	4	11,744,622
Corporate Bonds	—	25	—	25
Temporary Cash Investments	19,584	—	—	19,584
Total	11,764,202	25	4	11,764,231
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	453,162
Total Distributable Earnings (Loss)	(453,162)

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 recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	55,567
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(143,547)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	2,643,778

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	181,790	187,892
Long-Term Capital Gains	—	—
Total	181,790	187,892

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	9,120,453
Gross Unrealized Appreciation	2,888,847
Gross Unrealized Depreciation	(245,069)
Net Unrealized Appreciation (Depreciation)	2,643,778

E. During the year ended August 31, 2021, the fund purchased \$3,370,489,000 of investment securities and sold \$1,913,762,000 of investment securities, other than temporary cash investments. Purchases and sales include \$2,686,917,000 and \$1,547,082,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$7,539,000 and sales were \$2,952,000, resulting in net realized gain (loss) of (\$202,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	2,863,520	35,814	1,881,744	30,583
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,560,037)	(20,700)	(2,335,793)	(37,525)
Net Increase (Decrease)—ETF Shares	1,303,483	15,114	(454,049)	(6,942)
<b>Admiral Shares</b>				
Issued	407,353	10,001	245,111	8,139
Issued in Lieu of Cash Distributions	10,077	270	10,126	310
Redeemed	(283,504)	(7,060)	(269,610)	(8,886)
Net Increase (Decrease)—Admiral Shares	133,926	3,211	(14,373)	(437)

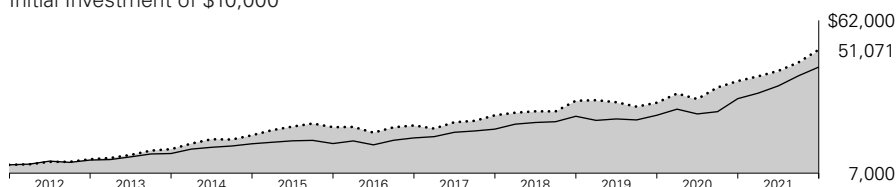
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Health Care Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Health Care Index Fund ETF Shares Net Asset Value	27.99%	16.23%	17.71%	\$51,071
Health Care Index Fund ETF Shares Market Price	27.93	16.23	17.71	51,075
MSCI US Investable Market Health Care 25/50 Index	28.11	16.31	17.80	51,444
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Health Care Index Fund Admiral Shares	28.01%	16.24%	17.72%	\$511,046
MSCI US Investable Market Health Care 25/50 Index	28.11	16.31	17.80	514,441
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Health Care Index Fund ETF Shares Market Price	27.93%	112.15%	410.75%
Health Care Index Fund ETF Shares Net Asset Value	27.99	112.13	410.71
MSCI US Investable Market Health Care 25/50 Index	28.11	112.82	414.44

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Biotechnology	19.0%
Health Care Equipment & Supplies	26.6
Health Care Providers & Services	18.0
Health Care Technology	2.2
Life Sciences Tools & Services	10.3
Pharmaceuticals	23.9

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

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

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

# Financial Statements

## Schedule of Investments

As of August 31, 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.9%)</b>								
<b>Biotechnology (19.0%)</b>								
AbbVie Inc.	5,633,686	680,437	* Turning Point Therapeutics Inc.	133,288	10,266	* Rocket Pharmaceuticals Inc.	121,409	4,153
Amgen Inc.	1,832,769	413,344	* Insmed Inc.	362,103	10,153	* Anavex Life Sciences Corp.	212,419	4,140
* Moderna Inc.	1,088,750	410,121	* Arena Pharmaceuticals Inc.	183,964	9,735	* Deciphera Pharmaceuticals Inc.	129,059	4,065
Gilead Sciences Inc.	3,800,834	276,625	* Emergent BioSolutions Inc.	154,174	9,725	* Bluebird Bio Inc.	213,767	3,912
* Regeneron Pharmaceuticals Inc.	333,991	224,910	* Iovance Biotherapeutics Inc.	390,023	9,388	* Zymeworks Inc.	118,169	3,898
* Vertex Pharmaceuticals Inc.	825,888	165,417	* Kodiak Sciences Inc.	98,106	9,240	* ImmunoGen Inc.	637,962	3,860
* Biogen Inc.	480,423	162,820	* Allakos Inc.	102,543	9,143	* Sangamo Therapeutics Inc.	388,080	3,846
* Alnylam Pharmaceuticals Inc.	374,876	75,511	* BioCryst Pharmaceuticals Inc.	565,856	9,008	* Travelex Therapeutics Inc.	173,553	3,789
* Horizon Therapeutics plc	681,116	73,622	* PTC Therapeutics Inc.	202,098	8,822	* Arcturus Therapeutics Holdings Inc.	66,840	3,664
* Seagen Inc.	434,047	72,746	* Myriad Genetics Inc.	245,744	8,793	* Morphic Holding Inc.	57,713	3,637
* Exact Sciences Corp.	547,107	57,107	* Agios Pharmaceuticals Inc.	176,752	7,897	* MacroGenics Inc.	153,270	3,619
* Novavax Inc.	224,495	53,551	*.1 Sorrento Therapeutics Inc.	871,018	7,839	* Arcus Biosciences Inc.	123,794	3,611
* BioMarin Pharmaceutical Inc.	582,723	49,071	* Karuna Therapeutics Inc.	65,784	7,822	* Heron Therapeutics Inc.	308,731	3,603
* Incyte Corp.	596,090	45,595	* Sage Therapeutics Inc.	167,930	7,760	* Agenus Inc.	567,748	3,503
* Intellia Therapeutics Inc.	195,622	31,403	* Amicus Therapeutics Inc.	680,213	7,748	* MiMedx Group Inc.	232,997	3,439
* United Therapeutics Corp.	142,858	30,697	* Cytokinetics Inc.	234,786	7,741	* Atara Biotherapeutics Inc.	227,867	3,413
* Natera Inc.	252,445	29,897	* Dynavax Technologies Corp.	366,843	7,139	* Enanta Pharmaceuticals Inc.	57,968	3,316
* Neurocrine Biosciences Inc.	301,521	28,705	* Ligand Pharmaceuticals Inc.	52,931	7,003	* Relay Therapeutics Inc.	103,203	3,306
* Biohaven Pharmaceutical Holding Co. Ltd.	186,792	24,515	* Vericel Corp.	125,670	6,808	* Kura Oncology Inc.	178,918	3,303
* CRISPR Therapeutics AG	193,366	24,161	* ACADIA Pharmaceuticals Inc.	383,792	6,720	* REGENXBIO Inc.	101,631	3,283
* Acceleron Pharma Inc.	174,240	23,327	* Prothena Corp. plc	98,644	6,621	* UniQure N.V.	110,182	3,195
* Arrowhead Pharmaceuticals Inc.	315,107	21,150	* Ironwood Pharmaceuticals Inc. Class A	491,322	6,436	* Coherus Biosciences Inc.	194,036	3,101
* Ultragenyx Pharmaceutical Inc.	204,566	19,698	* Protagonist Therapeutics Inc.	125,719	6,097	* FibroGen Inc.	265,242	3,085
* Mirati Therapeutics Inc.	114,862	19,496	* Allogene Therapeutics Inc.	248,625	5,930	* Vanda Pharmaceuticals Inc.	175,859	2,944
* Exelixis Inc.	1,000,733	19,184	*.1 Inovio Pharmaceuticals Inc.	664,871	5,745	* Generation Bio Co.	116,553	2,914
* Sarepta Therapeutics Inc.	241,978	18,903	* Xencor Inc.	167,726	5,681	* Scholar Rock Holding Corp.	71,868	2,841
* Halozyme Therapeutics Inc.	431,419	18,115	* Kymera Therapeutics Inc.	87,389	5,430	* Myovant Sciences Ltd.	116,673	2,840
* Fate Therapeutics Inc.	239,646	17,554	* Translate Bio Inc.	144,220	5,394	* ImmunityBio Inc.	245,047	2,789
* Invitae Corp.	573,694	16,999	* OPKO Health Inc.	1,389,306	5,363	* Rubius Therapeutics Inc.	128,229	2,785
* Blueprint Medicines Corp.	176,586	16,470	* Global Blood Therapeutics Inc.	178,294	5,115	* Krystal Biotech Inc.	45,785	2,653
* Ionis Pharmaceuticals Inc.	404,678	16,090	* Cortexyme Inc.	51,711	4,980	* Madrigal Pharmaceuticals Inc.	31,750	2,627
* Alkermes plc	511,902	16,002	*.1 Ocugen Inc.	632,219	4,799	* Y-mAbs Therapeutics Inc.	83,739	2,578
* Twist Bioscience Corp.	140,424	15,897	* SpringWorks Therapeutics Inc.	62,649	4,705	* Avidity Biosciences Inc.	109,063	2,491
* Editas Medicine Inc. Class A	216,322	13,756	* Avid Bioservices Inc.	194,021	4,703	* ChemoCentryx Inc.	155,582	2,460
* Denali Therapeutics Inc.	251,269	13,368	* Dicerna Pharmaceuticals Inc.	220,779	4,544	* Mersana Therapeutics Inc.	176,187	2,454
* Apellis Pharmaceuticals Inc.	192,575	12,681	* Zentaris Pharmaceuticals Inc.	65,966	4,498	* Kadmon Holdings Inc.	434,453	2,381
* CareDx Inc.	166,275	12,185	* Alecor Inc.	165,233	4,466	* Sutro Biopharma Inc.	103,907	2,257
* Beam Therapeutics Inc.	99,802	11,070	* REVOLUTION Medicines Inc.	152,364	4,432	* Allovir Inc.	113,401	2,183
* BridgeBio Pharma Inc.	214,330	10,740	* Cerevel Therapeutics Holdings Inc.	135,355	4,285	* Syndax Pharmaceuticals Inc.	123,174	2,154
* Vir Biotechnology Inc.	207,384	10,689				* Replimune Group Inc.	67,612	2,147
* TG Therapeutics Inc.	383,612	10,384				* Rigel Pharmaceuticals Inc.	548,671	2,085
* VeracYTE Inc.	214,506	10,320				* Dermtech Inc.	55,901	2,080
						*.1 VBI Vaccines Inc.	568,605	2,053
						* BioAtla Inc.	49,722	2,043
						* Nurix Therapeutics Inc.	63,139	2,032
						* Anika Therapeutics Inc.	46,049	1,986

## Health Care Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Rapt Therapeutics Inc.	59,752	1,954	* Kiniksa Pharmaceuticals Ltd. Class A	75,767	953	* STERIS plc	317,727	68,315
* Eagle Pharmaceuticals Inc.	36,007	1,922	* Immunovant Inc.	108,479	939	* Hologic Inc.	817,117	64,675
* Bioexcel Therapeutics Inc.	62,789	1,849	* MeiraGTx Holdings plc	72,531	907	* Insulet Corp.	211,357	62,944
* Precision BioSciences Inc.	144,761	1,820	* Lexicon Pharmaceuticals Inc.	182,932	863	* Teleflex Inc.	149,029	58,935
* ALX Oncology Holdings Inc.	25,980	1,819	* Inhibrx Inc.	29,958	854	* ABIOMED Inc.	144,451	52,574
* Radius Health Inc.	129,892	1,800	* Nkarta Inc.	26,010	841	* Masimo Corp.	166,621	45,244
* Precigen Inc.	297,077	1,797	* CytomX Therapeutics Inc.	163,809	839	* DENTSPLY SIRONA Inc.	696,196	42,955
* Merus NV	67,706	1,766	* Annexon Inc.	48,268	789	* Novocure Ltd.	296,825	39,837
* IGM Biosciences Inc.	24,656	1,756	* <sup>2</sup> PDL BioPharma Inc.	311,327	769	* Hill-Rom Holdings Inc.	211,849	30,841
* Vaxcyte Inc.	66,396	1,742	* Kinnate Biopharma Inc.	34,339	760	* Penumbra Inc.	110,537	30,392
* <sup>1</sup> Humanigen Inc.	104,597	1,734	* Silverback Therapeutics Inc.	33,138	729	* Tandem Diabetes Care Inc.	199,787	22,410
* Organogenesis Holdings Inc. Class A	101,234	1,727	* Molecular Templates Inc.	106,291	693	* Envista Holdings Corp.	513,020	21,952
* Crinetics Pharmaceuticals Inc.	72,654	1,712	* Black Diamond Therapeutics Inc.	68,319	690	* Shockwave Medical Inc.	100,419	21,511
* Arcutis Biotherapeutics Inc.	80,164	1,697	* Essa Pharma Inc.	72,249	685	* Globus Medical Inc. Class A	248,197	20,253
* ORIC Pharmaceuticals Inc.	75,455	1,667	* Akouos Inc.	55,281	657	* STAAR Surgical Co.	119,660	18,484
* Xenon Pharmaceuticals Inc.	90,435	1,596	* Mirum Pharmaceuticals Inc.	38,055	618	* Integra LifeSciences Holdings Corp.	230,109	17,311
* Avita Medical Inc.	78,512	1,587	* Poseida Therapeutics Inc.	68,712	594	* Quidel Corp.	122,148	15,751
* Gossamer Bio Inc.	155,866	1,549	* Magenta Therapeutics Inc.	86,576	554	* Neogen Corp.	342,479	14,994
* <sup>1</sup> CEL-SCI Corp.	132,813	1,538	* Harpoon Therapeutics Inc.	56,037	531	* Livanova plc	155,802	12,883
* <sup>1</sup> Clovis Oncology Inc.	314,155	1,514	* 89bio Inc.	27,639	512	* Nevro Corp.	105,504	12,872
* Rhythm Pharmaceuticals Inc.	112,859	1,468	* Solid Biosciences Inc.	188,144	510	* ICU Medical Inc.	64,251	12,808
* AnaptysBio Inc.	56,740	1,453	* iTeos Therapeutics Inc.	16,723	474	* CONMED Corp.	92,733	12,180
* G1 Therapeutics Inc.	94,290	1,426	* Adverum Biotechnologies Inc.	185,056	450	* Merit Medical Systems Inc.	160,713	11,534
* Seres Therapeutics Inc.	218,935	1,403	* Oyster Point Pharma Inc.	24,622	325	* Integer Holdings Corp.	105,366	10,409
* Aligos Therapeutics Inc.	80,901	1,379	* <sup>2</sup> Ardelyx Inc.	171,313	242	* NuVasive Inc.	164,797	10,241
* Verastem Inc.	516,952	1,370	* Alder Biopharmaceuticals Inc. CVR	157,578	139	* Haemonetics Corp.	162,323	10,186
* Praxis Precision Medicines Inc.	68,948	1,370	* Geron Corp. Warrant Exp. 12/31/25	152,449	11	* AtriCure Inc.	138,224	10,176
* C4 Therapeutics Inc.	34,073	1,367	* <sup>2</sup> Progenics Pharmaceuticals Inc. CVR	215,826	—	* Glaukos Corp.	147,620	8,803
* Ideaya Biosciences Inc.	57,803	1,358	* Advaxis Inc. Warrants Exp. 9/11/24	7,710	—	* Axonics Inc.	108,618	8,144
* Keros Therapeutics Inc.	40,263	1,354	* <sup>2</sup> Prevail Therapeutics Inc. CVR	78	—	* Heska Corp.	30,682	8,140
* <sup>1</sup> Intercept Pharmaceuticals Inc.	88,791	1,324				* CryoPort Inc.	116,597	7,412
* TCR2 Therapeutics Inc.	78,141	1,310				* Silk Road Medical Inc.	104,528	6,196
* 4D Molecular Therapeutics Inc.	42,758	1,306				* Outset Medical Inc.	125,086	6,166
* Forma Therapeutics Holdings Inc.	53,010	1,274				* Lantheus Holdings Inc.	215,372	5,679
* Dyne Therapeutics Inc.	73,135	1,238				* Inari Medical Inc.	63,388	5,189
* KalVista Pharmaceuticals Inc.	58,479	1,195				* Avanos Medical Inc.	153,226	5,056
* Akero Therapeutics Inc.	49,292	1,170				* Cardiovascular Systems Inc.	128,339	4,593
* Epizyme Inc.	225,249	1,162				* Establishment Labs Holdings Inc.	60,514	4,539
* Kronos Bio Inc.	53,197	1,112				* BioLife Solutions Inc.	77,327	4,513
* ZIOPHARM Oncology Inc.	678,395	1,106				* iRhythm Technologies Inc.	93,486	4,469
* Applied Molecular Transport Inc.	36,706	1,104				* Mesa Laboratories Inc.	16,343	4,362
* Karyopharm Therapeutics Inc.	188,003	1,090				* Varex Imaging Corp.	125,795	3,669
* PMV Pharmaceuticals Inc.	35,457	1,076				* Inogen Inc.	60,508	3,581
* Taysha Gene Therapies Inc.	53,833	1,070				* Cerus Corp.	543,708	3,507
* Stoke Therapeutics Inc.	40,518	1,061				* AngioDynamics Inc.	121,172	3,429
* Prelude Therapeutics Inc.	29,516	1,053				* LeMaitre Vascular Inc.	59,501	3,369
* Repare Therapeutics Inc.	29,740	1,011				* CryoLife Inc.	125,007	3,280
* Shattuck Labs Inc.	46,206	976				* Atrion Corp.	4,662	3,236
* Evelo Biosciences Inc.	84,341	959				* OrthoPediatrics Corp.	44,069	3,089
* Passage Bio Inc.	79,636	957				* Alphatec Holdings Inc.	202,770	2,936
						* Natus Medical Inc.	108,943	2,889
						* Tactile Systems Technology Inc.	62,419	2,776
						* Intersect ENT Inc.	100,357	2,731
						* Meridian Bioscience Inc.	132,052	2,673
						* Surmodics Inc.	44,420	2,668
						* Orthofix Medical Inc.	61,759	2,619
						* TransMedics Group Inc.	79,062	2,584
						* Pulmonx Corp.	63,374	2,547
						* OraSure Technologies Inc.	227,987	2,496
						* Cutaera Inc.	47,792	2,377
						* ViewRay Inc	388,126	2,342

**Health Care Index Fund**

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Axogen Inc.	124,391	2,122	U.S. Physical Therapy Inc.	41,105	4,826	PerkinElmer Inc.	357,447	66,056
* SI-BONE Inc.	83,593	2,041	* Joint Corp.	45,277	4,626	* Avantor Inc.	1,670,586	65,888
* <sup>1</sup> SmileDirectClub Inc.	339,659	1,868	* Addus HomeCare Corp.	50,685	4,558	Bio-Techne Corp.	124,021	61,904
* Vapotherm Inc.	49,719	1,375	* RadNet Inc.	142,990	4,491	* Bio-Rad Laboratories Inc. Class A	71,099	57,222
* Accuray Inc.	293,051	1,193	* Community Health Systems Inc.	358,346	4,411	* Repligen Corp.	166,354	47,075
* Stereotaxis Inc.	140,658	993	* Brookdale Senior Living Inc.	593,689	4,334	* 10X Genomics Inc. Class A	236,595	41,622
* Zynex Inc.	67,932	911	National HealthCare Corp.	41,458	3,062	* Syneos Health Inc.	330,967	30,707
* Eargo Inc.	36,403	728	* Hanger Inc.	123,139	2,940	* Bruker Corp.	338,168	29,864
* Accelerate Diagnostics Inc.	107,532	672	* Tivity Health Inc.	125,808	2,925	* Pacific Biosciences of California Inc.	601,072	18,819
* Aspira Women's Health Inc.	159,208	607	* Triple-S Management Corp. Class B	75,184	2,669	* PPD Inc.	392,071	18,157
		<b>5,280,006</b>	* Pennant Group Inc.	85,381	2,610	* NeoGenomics Inc.	357,545	17,384
<b>Health Care Providers &amp; Services (18.0%)</b>			* Cross Country Healthcare Inc.	114,096	2,482	* Maravai LifeSciences Holdings Inc. Class A	291,785	17,268
UnitedHealth Group Inc.	3,009,963	1,252,957	* National Research Corp.	44,375	2,396	* Medpace Holdings Inc.	91,910	16,760
CVS Health Corp.	4,199,802	362,821	* PetIQ Inc. Class A	76,946	1,997	* Adaptive Biotechnologies Corp.	291,064	10,571
Anthem Inc.	780,977	292,968	* SOC Telemed Inc. Class A	142,182	385	* NanoString Technologies Inc.	144,237	8,394
Cigna Corp.	1,094,685	231,690	* Ontrak Inc.	25,682	311	* Sotera Health Co.	270,839	6,625
HCA Healthcare Inc.	859,975	217,556			<b>3,581,515</b>	* <sup>1</sup> Bionano Genomics Inc.	888,205	5,178
Humana Inc.	411,585	166,865	<b>Health Care Technology (2.1%)</b>			* Codexis Inc.	184,518	4,986
* Centene Corp.	1,858,372	117,040	* Veeva Systems Inc. Class A	440,546	146,253	* Quanterix Corp.	92,770	4,736
McKesson Corp.	504,422	102,973	* Cerner Corp.	960,249	73,315	* Seer Inc. Class A	96,590	3,862
* Laboratory Corp. of America Holdings	311,501	94,503	* Teladoc Health Inc.	443,453	64,044	* Personalis Inc.	106,221	2,250
Quest Diagnostics Inc.	416,561	63,663	* Omnicell Inc.	137,573	21,361	* ChromaDex Corp.	153,746	1,311
AmerisourceBergen Corp. Class A	491,520	60,069	* Inspire Medical Systems Inc.	86,783	19,401			<b>2,042,537</b>
* Molina Healthcare Inc.	186,240	50,056	* Change Healthcare Inc.	742,852	16,217	<b>Pharmaceuticals (23.9%)</b>		
Cardinal Health Inc.	925,273	48,568	* Phreesia Inc.	144,839	10,363	Johnson & Johnson	8,398,773	1,454,080
Universal Health Services Inc. Class B	248,646	38,729	* Inovalon Holdings Inc. Class A	247,910	10,127	Pfizer Inc.	17,856,082	822,630
* Guardant Health Inc.	274,155	34,892	* Schrodinger Inc.	156,466	9,340	Eli Lilly & Co.	2,600,280	671,626
* Henry Schein Inc.	448,700	33,917	* Allscripts Healthcare Solutions Inc.	448,832	6,894	Merck & Co. Inc.	8,076,269	616,139
* DaVita Inc.	220,172	28,792	* Evolent Health Inc. Class A	277,094	6,805	Bristol-Myers Squibb Co.	7,125,030	476,380
Encompass Health Corp.	317,430	24,902	* GoodRx Holdings Inc. Class A	177,423	6,746	Zoetis Inc.	1,514,226	309,750
Chemered Corp.	50,857	24,243	* Health Catalyst Inc.	120,513	6,581	* Catalent Inc.	543,180	70,852
* Tenet Healthcare Corp.	289,519	21,815	* <sup>1</sup> Doximity Inc. Class A	62,883	5,785	Viatrix Inc.	3,854,709	56,394
* Amedisys Inc.	103,893	19,059	* Vocera Communications Inc.	109,473	5,308	* Elanco Animal Health Inc. (XNYS)	1,357,477	45,313
* Acadia Healthcare Co. Inc.	271,904	17,978	* Certara Inc.	147,015	4,935	Organon & Co.	806,953	27,348
* LHC Group Inc.	95,967	17,923	* OptimizeRx Corp.	49,584	3,282	* Jazz Pharmaceuticals plc	193,523	25,489
* AMN Healthcare Services Inc.	150,713	17,109	* NextGen Healthcare Inc.	179,498	2,739	Royalty Pharma plc Class A	563,764	21,789
* HealthEquity Inc.	265,945	17,066	* Multiplan Corp.	429,907	2,579	* <sup>1</sup> Tilray Inc. Class 2	1,355,373	18,555
Premier Inc. Class A	389,849	14,495	* HealthStream Inc.	79,696	2,422	Perrigo Co. plc	425,853	17,439
* Oak Street Health Inc.	307,250	14,358	* Tabula Rasa HealthCare Inc.	75,254	2,356	* Arvinas Inc.	117,177	10,102
Ensign Group Inc.	166,662	13,611	* Simulations Plus Inc.	51,622	2,287	* Prestige Consumer Healthcare Inc.	159,427	9,150
Select Medical Holdings Corp.	344,103	11,896	* American Well Corp. Class A	167,771	1,797	* Reata Pharmaceuticals Inc. Class A	85,042	9,058
* Option Care Health Inc.	402,096	10,756			<b>430,937</b>	* Nektar Therapeutics Class A	581,492	9,001
* Progyny Inc.	169,432	9,466	<b>Life Sciences Tools &amp; Services (10.3%)</b>			* Pacira BioSciences Inc.	140,421	8,326
Patterson Cos. Inc.	277,914	8,515	Thermo Fisher Scientific Inc.	1,253,689	695,735	* Corcept Therapeutics Inc.	353,322	7,519
Owens & Minor Inc.	227,698	8,489	* Illumina Inc.	465,827	212,957	* Intra-Cellular Therapies Inc.	220,062	7,306
* MEDNAX Inc.	247,451	7,946	* Agilent Technologies Inc.	971,792	170,520	* Revance Therapeutics Inc.	216,068	5,786
* ModivCare Inc.	40,251	7,940	* IQVIA Holdings Inc.	611,376	158,793	* Supernus Pharmaceuticals Inc.	168,481	4,638
* R1 RCM Inc.	376,145	7,418	* Mettler-Toledo International Inc.	74,230	115,266	* Innoviva Inc.	210,052	3,205
* Covetrus Inc.	325,945	7,363	* Waters Corp.	196,862	81,505	* Omeros Corp.	189,000	3,081
* Apollo Medical Holdings Inc.	96,670	7,338	* Charles River Laboratories International Inc.	160,236	71,122	* Zogenix Inc.	161,717	2,395
* Magellan Health Inc.	71,080	6,726				* Amphastar Pharmaceuticals Inc.	121,257	2,384
* 1Life Healthcare Inc.	262,877	6,443						
* AdaptHealth Corp. Class A	247,424	5,948						
* <sup>1</sup> Fulgent Genetics Inc.	60,140	5,487						
* Surgery Partners Inc.	105,337	5,183						
* CorVel Corp.	31,368	5,170						
* Castle Biosciences Inc.	64,124	4,920						
* Accolade Inc.	102,798	4,870						

# Health Care Index Fund

	Shares	Market Value* (\$000)
* NGM Biopharmaceuticals Inc.	99,286	2,167
* Aerie Pharmaceuticals Inc.	143,824	2,144
* Collegium Pharmaceutical Inc.	101,084	2,075
* Antares Pharma Inc.	513,163	2,022
* Cara Therapeutics Inc.	126,092	1,990
* <sup>1</sup> Axsome Therapeutics Inc.	77,467	1,989
* Harmony Biosciences Holdings Inc.	54,029	1,831
* Amneal Pharmaceuticals Inc.	309,448	1,745
* Endo International plc Phibro Animal Health Corp. Class A	736,956	1,688
	65,935	1,602
* Phathom Pharmaceuticals Inc.	44,402	1,580
* Atea Pharmaceuticals Inc.	52,348	1,556
* Theravance Biopharma Inc.	175,102	1,453
* Evolus Inc.	103,653	1,099
* Provention Bio Inc.	150,173	1,008
* <sup>1</sup> Esperion Therapeutics Inc.	75,154	978
* SIGA Technologies Inc.	145,497	950
* Athira Pharma Inc.	89,082	943
* <sup>1</sup> TherapeuticsMD Inc.	1,181,452	939
* Relmada Therapeutics Inc.	37,969	908
* Pliant Therapeutics Inc.	40,958	747
	<b>4,747,149</b>	
<b>Total Common Stocks</b> <b>(Cost \$13,287,610)</b>		<b>19,850,945</b>
<b>Temporary Cash Investments (0.3%)</b>		
<b>Money Market Fund (0.3%)</b>		
<sup>3,4</sup> Vanguard Market Liquidity Fund, 0.068% <b>(Cost \$45,193)</b>	452,030	<b>45,203</b>
<b>Total Investments (100.2%)</b> <b>(Cost \$13,332,803)</b>		<b>19,896,148</b>
<b>Other Assets and Liabilities—</b>		
<b>Net (-0.2%)</b>		<b>(30,468)</b>
<b>Net Assets (100.0%)</b>		<b>19,865,680</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$43,844,000.

2 Security value determined using significant unobservable inputs.

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

4 Collateral of \$45,177,000 was received for securities on loan.

CVR—Contingent Value Rights.

## Derivative Financial Instruments Outstanding as of Period End

## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Gilead Sciences Inc.	8/31/22	BOANA	14,556	(0.080)	—	—

<sup>1</sup> 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.

BOANA—Bank of America, N.A.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$13,287,610)	19,850,945
Affiliated Issuers (Cost \$45,193)	45,203
Total Investments in Securities	19,896,148
Investment in Vanguard	643
Cash	287
Receivables for Investment Securities Sold	66,445
Receivables for Accrued Income	23,120
Receivables for Capital Shares Issued	3,581
<b>Total Assets</b>	<b>19,990,224</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	73,906
Collateral for Securities on Loan	45,177
Payables for Capital Shares Redeemed	4,598
Payables to Vanguard	863
Unrealized Depreciation—Over-the-Counter Swap Contracts	—
<b>Total Liabilities</b>	<b>124,544</b>
<b>Net Assets</b>	<b>19,865,680</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	13,627,191
Total Distributable Earnings (Loss)	6,238,489
<b>Net Assets</b>	<b>19,865,680</b>

## ETF Shares—Net Assets

Applicable to 64,378,176 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	16,893,520
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$262.41</b>

## Admiral Shares—Net Assets

Applicable to 22,642,633 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,972,160
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$131.26</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	215,723
Interest <sup>1</sup>	15
Securities Lending—Net	2,021
<b>Total Income</b>	<b>217,759</b>
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	2,167
Management and Administrative— ETF Shares	10,994
Management and Administrative— Admiral Shares	1,867
Marketing and Distribution— ETF Shares	465
Marketing and Distribution— Admiral Shares	91
Custodian Fees	24
Auditing Fees	30
Shareholders' Reports—ETF Shares	407
Shareholders' Reports—Admiral Shares	18
Trustees' Fees and Expenses	6
<b>Total Expenses</b>	<b>16,069</b>
<b>Net Investment Income</b>	<b>201,690</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	641,579
Futures Contracts	8
Swap Contracts	2,414
<b>Realized Net Gain (Loss)</b>	<b>644,001</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	3,188,827
Swap Contracts	930
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>3,189,757</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>4,035,448</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$15,000, \$1,000, and less than (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$746,428,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	201,690	165,819
Realized Net Gain (Loss)	644,001	478,473
Change in Unrealized Appreciation (Depreciation)	3,189,757	1,844,202
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>4,035,448</b>	<b>2,488,494</b>
<b>Distributions</b>		
ETF Shares	(168,926)	(136,385)
Admiral Shares	(27,075)	(19,956)
<b>Total Distributions</b>	<b>(196,001)</b>	<b>(156,341)</b>
<b>Capital Share Transactions</b>		
ETF Shares	1,879,063	790,421
Admiral Shares	746,601	63,737
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>2,625,664</b>	<b>854,158</b>
<b>Total Increase (Decrease)</b>	<b>6,465,111</b>	<b>3,186,311</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>13,400,569</b>	<b>10,214,258</b>
<b>End of Period</b>	<b>19,865,680</b>	<b>13,400,569</b>

# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$207.65</b>	<b>\$169.74</b>	<b>\$177.07</b>	<b>\$151.13</b>	<b>\$133.25</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.893	2.702	3.600 <sup>2</sup>	2.194	1.994
Net Realized and Unrealized Gain (Loss) on Investments	54.714	37.758	(7.457)	25.846	17.846
Total from Investment Operations	57.607	40.460	(3.857)	28.040	19.840
<b>Distributions</b>					
Dividends from Net Investment Income	(2.846)	(2.550)	(3.473)	(2.100)	(1.960)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.846)	(2.550)	(3.473)	(2.100)	(1.960)
<b>Net Asset Value, End of Period</b>	<b>\$262.41</b>	<b>\$207.65</b>	<b>\$169.74</b>	<b>\$177.07</b>	<b>\$151.13</b>
<b>Total Return</b>	<b>27.99%</b>	<b>24.05%</b>	<b>-2.22%</b>	<b>18.75%</b>	<b>15.06%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$16,894	\$11,724	\$8,899	\$8,594	\$7,002
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.25%	1.45%	2.12% <sup>2</sup>	1.38%	1.46%
Portfolio Turnover Rate <sup>3</sup>	5%	7%	5%	6%	4%

1 Calculated based on average shares outstanding.

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

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

## Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$103.87</b>	<b>\$84.91</b>	<b>\$88.57</b>	<b>\$75.60</b>	<b>\$66.65</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.450	1.351	1.804 <sup>2</sup>	1.101	.996
Net Realized and Unrealized Gain (Loss) on Investments	27.365	18.884	(3.727)	12.920	8.934
Total from Investment Operations	28.815	20.235	(1.923)	14.021	9.930
<b>Distributions</b>					
Dividends from Net Investment Income	(1.425)	(1.275)	(1.737)	(1.051)	(.980)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.425)	(1.275)	(1.737)	(1.051)	(.980)
<b>Net Asset Value, End of Period</b>	<b>\$131.26</b>	<b>\$103.87</b>	<b>\$84.91</b>	<b>\$88.57</b>	<b>\$75.60</b>
<b>Total Return<sup>3</sup></b>	<b>28.01%</b>	<b>24.06%</b>	<b>-2.21%</b>	<b>18.74%</b>	<b>15.07%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$2,972	\$1,676	\$1,316	\$1,248	\$924
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.25%	1.45%	2.12% <sup>2</sup>	1.38%	1.46%
Portfolio Turnover Rate <sup>4</sup>	5%	7%	5%	6%	4%

1 Calculated based on average shares outstanding.

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

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

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

## Notes to Financial Statements

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

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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

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

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

During the year ended August 31, 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 August 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 August 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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$643,000, representing less than 0.01% of the fund’s net assets and 0.26% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	19,850,026	11	908	19,850,945
Temporary Cash Investments	45,203	—	—	45,203
Total	19,895,229	11	908	19,896,148
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	745,708
Total Distributable Earnings (Loss)	(745,708)

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; the recognition of unrealized gains or losses from certain derivative contracts; and the recognition of unrealized gains from passive foreign investment companies. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	59,953
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(361,010)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	6,539,546

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	196,001	156,341
Long-Term Capital Gains	—	—
Total	196,001	156,341

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	13,356,603
Gross Unrealized Appreciation	6,993,769
Gross Unrealized Depreciation	(454,223)
Net Unrealized Appreciation (Depreciation)	6,539,546

E. During the year ended August 31, 2021, the fund purchased \$4,924,342,000 of investment securities and sold \$2,276,150,000 of investment securities, other than temporary cash investments. Purchases and sales include \$3,204,158,000 and \$1,506,361,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$14,207,000 and sales were \$12,829,000, resulting in net realized gain (loss) of (\$1,080,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	3,403,429	14,615	2,267,426	12,263
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(1,524,366)	(6,700)	(1,477,005)	(8,225)
Net Increase (Decrease)—ETF Shares	1,879,063	7,915	790,421	4,038
<b>Admiral Shares</b>				
Issued	1,140,545	9,947	453,890	4,915
Issued in Lieu of Cash Distributions	23,652	212	17,644	194
Redeemed	(417,596)	(3,652)	(407,797)	(4,469)
Net Increase (Decrease)—Admiral Shares	746,601	6,507	63,737	640

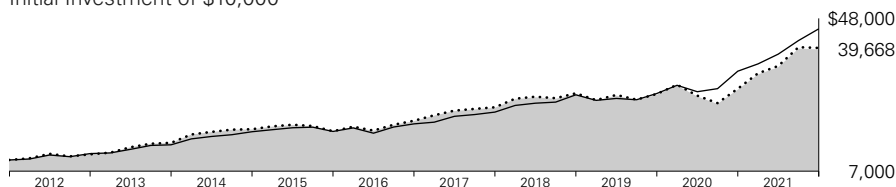
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Industrials Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Industrials Index Fund ETF Shares Net Asset Value	37.41%	14.20%	14.77%	\$39,668
Industrials Index Fund ETF Shares Market Price	37.29	14.19	14.77	39,660
MSCI US Investable Market Industrials 25/50 Index	37.55	14.31	14.89	40,065
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Industrials Index Fund Admiral Shares	37.43%	14.20%	14.78%	\$396,979
MSCI US Investable Market Industrials 25/50 Index	37.55	14.31	14.89	400,651
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Industrials Index Fund ETF Shares Market Price	37.29%	94.17%	296.60%
Industrials Index Fund ETF Shares Net Asset Value	37.41	94.21	296.68
MSCI US Investable Market Industrials 25/50 Index	37.55	95.15	300.65

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Aerospace & Defense	14.9%
Air Freight & Logistics	6.1
Airlines	2.5
Building Products	7.2
Commercial Services & Supplies	6.8
Construction & Engineering	1.7
Electrical Equipment	7.7
Industrial Conglomerates	10.5
Machinery	20.5
Marine	0.2
Professional Services	7.3
Road & Rail	11.1
Trading Companies & Distributors	3.4
Transportation Infrastructure	0.1

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

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

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

# Financial Statements

## Schedule of Investments

As of August 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.8%)</b>			<b>Airlines (2.5%)</b>					
<b>Aerospace &amp; Defense (14.9%)</b>			* Southwest Airlines Co.	816,081	40,625	* Copart Inc.	293,808	42,402
Raytheon Technologies Corp.	2,090,730	177,210	* Delta Air Lines Inc.	882,487	35,688	Republic Services Inc. Class A	308,198	38,257
* Boeing Co.	766,617	168,273	* United Airlines Holdings Inc.	446,433	20,764	Rollins Inc.	305,765	11,900
Lockheed Martin Corp.	345,190	124,199	* American Airlines Group Inc.	884,916	17,645	Tetra Tech Inc.	74,732	10,749
Northrop Grumman Corp.	211,020	77,592	* Alaska Air Group Inc.	171,579	9,838	* IAA Inc.	185,893	9,875
General Dynamics Corp.	331,488	66,400	* JetBlue Airways Corp.	436,963	6,611	* Stericycle Inc.	126,583	8,810
L3Harris Technologies Inc.	258,868	60,319	* Allegiant Travel Co.	20,844	4,011	MSA Safety Inc.	51,350	8,362
* TransDigm Group Inc.	71,956	43,711	* Spirit Airlines Inc.	149,654	3,671	* Clean Harbors Inc.	71,519	7,339
Textron Inc.	311,444	22,633	* SkyWest Inc.	69,700	3,252	Brink's Co.	68,647	5,365
Howmet Aerospace Inc.	539,348	17,124	* Hawaiian Holdings Inc.	70,477	1,425	* Casella Waste Systems Inc. Class A	69,586	5,149
* Axon Enterprise Inc.	89,251	16,232				UniFirst Corp.	21,027	4,817
HEICO Corp. Class A	100,490	11,480			143,530	ABM Industries Inc.	92,583	4,585
Huntington Ingalls Industries Inc.	55,522	11,336	<b>Building Products (7.2%)</b>			Herman Miller Inc.	104,028	4,372
HEICO Corp.	59,921	7,599	Johnson Controls International plc	988,976	73,975	Brady Corp. Class A	67,109	3,579
BWV Technologies Inc.	131,357	7,544	Carrier Global Corp.	1,139,154	65,615	Covanta Holding Corp.	165,738	3,323
Curtiss-Wright Corp.	56,456	6,875	Trane Technologies plc	329,992	65,503	* KAR Auction Services Inc. Healthcare Services Group Inc.	172,170	2,911
* Hexcel Corp.	115,775	6,566	Masco Corp.	350,221	21,265	HNI Corp.	102,679	2,686
Spirit AeroSystems Holdings Inc. Class A	145,531	5,711	Fortune Brands Home & Security Inc.	191,009	18,599	Deluxe Corp.	60,107	2,277
* Virgin Galactic Holdings Inc.	182,659	4,952	* Allegion plc	124,156	17,877	* Cimpres plc	23,227	2,206
* Kratos Defense & Security Solutions Inc.	170,597	4,217	* Trex Co. Inc.	159,174	17,471	* Harsco Corp.	109,795	2,003
* Mercury Systems Inc.	77,527	3,906	Lennox International Inc.	46,915	15,725	Pitney Bowes Inc.	242,097	1,809
Aerojet Rocketdyne Holdings Inc.	93,941	3,901	Carlisle Cos. Inc.	72,015	15,176	ADT Inc.	210,587	1,803
* AeroVironment Inc.	32,339	3,310	* Builders FirstSource Inc.	271,273	14,456	Steelcase Inc. Class A	118,060	1,664
Moog Inc. Class A	40,334	3,204	Owens Corning	144,151	13,774	* CoreCivic Inc.	166,354	1,617
Maxar Technologies Inc.	99,153	3,152	A O Smith Corp.	185,546	13,493	Matthews International Corp. Class A	43,537	1,612
* Triumph Group Inc.	88,531	1,634	Advanced Drainage Systems Inc.	74,083	8,457	* U.S. Ecology Inc.	43,312	1,553
* AAR Corp.	46,371	1,570	Armstrong World Industries Inc.	66,144	6,874	* Montrose Environmental Group Inc.	30,544	1,527
Kaman Corp.	34,298	1,340	Simpson Manufacturing Co. Inc.	59,906	6,778	ACCO Brands Corp.	131,073	1,228
* Parsons Corp.	35,264	1,249	* UFP Industries Inc.	85,323	6,406	* Viad Corp.	28,313	1,223
* Vectrus Inc.	15,944	802	* Resideo Technologies Inc.	188,546	6,079	* Interface Inc. Class A	80,625	1,159
* Ducommun Inc.	14,557	767	* AZEK Co. Inc. Class A	128,291	5,451	* SP Plus Corp.	31,790	1,030
* PAE Inc.	91,392	612	* AAON Inc.	57,855	3,941	* BrightView Holdings Inc.	57,775	886
National Presto Industries Inc.	7,243	605	* Masonite International Corp.	32,124	3,845	VSE Corp.	14,797	740
* Astronics Corp.	34,357	459	* JELD-WEN Holding Inc.	127,061	3,499	Ennis Inc.	36,122	701
		866,484	* Gibraltar Industries Inc.	45,120	3,369	* Heritage-Crystal Clean Inc.	21,918	647
<b>Air Freight &amp; Logistics (6.1%)</b>			* CSW Industrials Inc.	20,534	2,727	Kimball International Inc. Class B	51,183	638
United Parcel Service Inc. Class B	998,106	195,260	* PGT Innovations Inc.	82,119	1,743			391,686
FedEx Corp.	347,831	92,415	* American Woodmark Corp.	23,362	1,646	<b>Construction &amp; Engineering (1.7%)</b>		
Expeditors International of Washington Inc.	233,042	29,046	Griffon Corp.	66,995	1,621	* Quanta Services Inc.	192,285	19,632
CH Robinson Worldwide Inc.	183,524	16,528	* Apogee Enterprises Inc.	35,731	1,536	* AECOM	191,927	12,583
* GXO Logistics Inc.	119,770	9,796	* Cornerstone Building Brands Inc.	69,385	1,153	* EMCOR Group Inc.	75,284	9,147
Forward Air Corp.	37,814	3,334	Quanex Building Products Corp.	46,307	1,091	* MasTec Inc.	82,066	7,504
* Hub Group Inc. Class A	46,584	3,270	Insteel Industries Inc.	26,531	982	* Valmont Industries Inc.	29,353	7,305
* Atlas Air Worldwide Holdings Inc.	39,903	2,920			420,127	* WillScot Mobile Mini Holdings Corp.	238,028	7,046
* Air Transport Services Group Inc.	81,863	2,242	<b>Commercial Services &amp; Supplies (6.7%)</b>			*.1 API Group Corp.	194,578	4,512
* Echo Global Logistics Inc.	37,099	1,220	Waste Management Inc.	582,522	90,355	Comfort Systems USA Inc.	50,106	3,807
		356,031	Cintas Corp.	130,444	51,626	Arcosa Inc.	66,406	3,375
			Waste Connections Inc. (XTSE)	361,133	46,662	* Fluor Corp.	194,940	3,248
						* Dycom Industries Inc.	42,473	3,199
						Granite Construction Inc.	63,366	2,569

**Industrials Index Fund**

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Ameresco Inc. Class A	36,710	2,539	Xylem Inc.	248,422	33,862	* Desktop Metal Inc. Class A	211,626	1,757
* MYR Group Inc.	23,214	2,414	Fortive Corp.	443,770	32,781	Standex International Corp.	16,901	1,677
Primoris Services Corp.	74,128	1,905	* Ingersoll Rand Inc.	559,327	29,656	* Hydrofarm Holdings Group Inc.	32,936	1,665
* NV5 Global Inc.	17,799	1,880	IDEX Corp.	104,780	23,471	* Lydall Inc.	22,488	1,394
* Construction Partners Inc. Class A	41,890	1,402	Westinghouse Air Brake Technologies Corp.	247,718	22,243	*.2 Ideanomics Inc.	530,785	1,332
* Great Lakes Dredge & Dock Corp.	89,809	1,357	Graco Inc.	233,805	18,335	* Gates Industrial Corp. plc	79,915	1,309
Argan Inc.	21,577	999	Pentair plc	229,392	17,700	* Douglas Dynamics Inc.	31,603	1,256
* Sterling Construction Co. Inc.	39,607	913	Nordson Corp.	72,158	12,217	* Manitowoc Co. Inc.	48,256	1,170
* Tutor Perini Corp.	62,950	908	Snap-on Inc.	74,622	16,786	*.2 Hylion Holdings Corp.	131,356	1,160
* IES Holdings Inc.	12,833	628	* Toro Co.	148,502	16,326	Wabash National Corp.	71,527	1,112
		<b>98,872</b>	Middleby Corp.	76,726	14,036	* Energy Recovery Inc.	51,511	1,052
<b>Electrical Equipment (7.6%)</b>			AGCO Corp.	88,368	12,161	* CIRCOR International Inc.	28,166	1,007
Eaton Corp. plc	549,913	92,583	Donaldson Co. Inc.	173,946	11,785	Gorman-Rupp Co.	28,690	1,006
Emerson Electric Co.	827,550	87,306	ITT Inc.	118,784	11,364	Luxfer Holdings plc	39,850	851
Rockwell Automation Inc.	160,181	52,131	Lincoln Electric Holdings Inc.	78,039	10,895	REV Group Inc.	40,149	653
AMETEK Inc.	318,669	43,329	Oshkosh Corp.	94,672	10,848	* Titan International Inc.	76,353	635
* Generac Holdings Inc.	86,868	37,960	Rexnord Corp.	165,245	10,040	Miller Industries Inc.	15,937	593
* Plug Power Inc.	705,758	18,392	* Woodward Inc.	82,721	10,004	Hyster-Yale Materials Handling Inc.	9,805	575
Hubbell Inc. Class B	74,957	15,449	* Chart Industries Inc.	50,148	9,447	* Blue Bird Corp.	22,357	484
* Sensata Technologies Holding plc	218,189	12,912	* Colfax Corp.	168,377	8,111			<b>1,191,240</b>
* Sunrun Inc.	239,181	10,584	* RBC Bearings Inc.	34,803	8,058	<b>Marine (0.2%)</b>		
Vertiv Holdings Co. Class A	364,461	10,267	Flowserve Corp.	179,594	6,981	Matson Inc.	59,916	4,744
Acuity Brands Inc.	49,269	9,092	Timken Co.	94,345	6,938	* Kirby Corp.	82,912	4,443
Regal Beloit Corp.	56,135	8,388	Crane Co.	64,452	6,559	Genco Shipping & Trading Ltd.	37,322	727
nVent Electric plc	231,135	7,942	Watts Water Technologies Inc. Class A	38,078	6,533	* Eagle Bulk Shipping Inc.	8,011	396
* Atkore Inc.	64,822	6,014	* Evoqua Water Technologies Corp.	165,182	6,429			<b>10,310</b>
EnerSys	58,918	4,984	John Bean Technologies Corp.	43,781	6,387	<b>Professional Services (7.3%)</b>		
* Bloom Energy Corp. Class A	200,067	4,285	Allison Transmission Holdings Inc.	151,145	5,589	IHS Markit Ltd.	522,412	63,003
* Vicor Corp.	30,591	3,774	Altra Industrial Motion Corp.	89,315	5,230	* CoStar Group Inc.	544,955	46,179
* Array Technologies Inc.	158,314	3,019	Terex Corp.	96,306	4,916	Equifax Inc.	167,936	45,722
* FuelCell Energy Inc.	445,159	2,778	Hillenbrand Inc.	103,675	4,813	Verisk Analytics Inc. Class A	212,487	42,871
GrafTech International Ltd.	238,644	2,642	SPX FLOW Inc.	58,260	4,692	TransUnion	263,965	32,080
Encore Wire Corp.	28,327	2,408	* Franklin Electric Co. Inc.	54,501	4,632	Jacobs Engineering Group Inc.	179,722	24,255
* TPI Composites Inc.	50,823	1,845	* Welbilt Inc.	185,807	4,348	Leidos Holdings Inc.	185,394	18,189
AZZ Inc.	34,386	1,841	* Kennametal Inc.	109,774	4,081	Robert Half International Inc.	155,620	16,091
* Blink Charging Co.	52,067	1,689	* SPX Corp.	62,418	3,900	Booz Allen Hamilton Holding Corp. Class A	186,858	15,306
* Thermon Group Holdings Inc.	45,802	765	Mueller Water Products Inc. Class A	219,178	3,643	* Clarivate plc	486,769	12,262
* Romeo Power Inc.	127,125	619	Helios Technologies Inc.	42,233	3,447	Nielsen Holdings plc	470,399	10,095
Allied Motion Technologies Inc.	15,940	551	Federal Signal Corp.	83,806	3,405	ManpowerGroup Inc.	75,240	9,136
*.2 Eos Energy Enterprises Inc.	21,356	276	Kadant Inc.	15,948	3,335	Exponent Inc.	71,917	8,407
		<b>443,825</b>	Albany International Corp. Class A	42,473	3,327	* CACI International Inc. Class A	32,502	8,371
<b>Industrial Conglomerates (10.5%)</b>			Trinity Industries Inc.	113,127	3,284	* ASGN Inc.	73,402	8,235
Honeywell International Inc.	958,408	222,264	ESCO Technologies Inc.	35,876	3,233	KBR Inc.	195,017	7,594
General Electric Co.	1,514,183	159,610	Mueller Industries Inc.	71,158	3,174	* Upwork Inc.	156,631	7,003
3M Co.	799,902	155,773	* Barnes Group Inc.	66,557	3,173	Science Applications International Corp.	79,951	6,734
Roper Technologies Inc.	145,218	70,181	* Proto Labs Inc.	38,200	2,833	* FTI Consulting Inc.	47,239	6,600
* Raven Industries Inc.	49,700	2,900	Lindsay Corp.	15,072	2,483	Insperty Inc.	50,699	5,594
		<b>610,728</b>	* Meritor Inc.	99,673	2,364	* Korn Ferry	74,556	5,270
<b>Machinery (20.5%)</b>			*.2 EnPro Industries Inc.	27,087	2,316	* TriNet Group Inc.	54,522	5,020
Caterpillar Inc.	755,879	159,392	Nikola Corp.	217,865	2,272	* Dun & Bradstreet Holdings Inc.	178,166	3,266
Deere & Co.	410,871	155,322	Alamo Group Inc.	14,038	2,176	ManTech International Corp. Class A	37,810	2,993
Illinois Tool Works Inc.	435,910	101,506	Enerpac Tool Group Corp. Class A	83,255	2,095	* ICF International Inc.	25,914	2,427
Parker-Hannifin Corp.	178,057	52,824	Greenbrier Cos. Inc.	45,089	1,988	* CBIZ Inc.	66,050	2,253
Otis Worldwide Corp.	562,565	51,880	* Shyft Group Inc.	44,136	1,942	Kforce Inc.	27,145	1,586
Cummins Inc.	201,745	47,608	* TriMas Corp.	59,868	1,922	* Huron Consulting Group Inc.	31,271	1,544
Stanley Black & Decker Inc.	222,842	43,069	Tennant Co.	25,776	1,907	* TrueBlue Inc.	49,008	1,339
PACCAR Inc.	479,074	39,222	Astec Industries Inc.	29,920	1,829			
Dover Corp.	198,595	34,627	Columbus McKinnon Corp.	39,088	1,800			

**Industrials Index Fund**

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Heidrick & Struggles International Inc.	26,753	1,156	Rush Enterprises Inc. Class A	59,298	2,615
CRA International Inc.	10,094	939	McGrath RentCorp.	33,515	2,339
Kelly Services Inc. Class A	47,253	919	* Veritiv Corp.	20,528	1,841
Barrett Business Services Inc.	10,513	815	H&E Equipment Services Inc.	44,653	1,520
* Forrester Research Inc.	15,854	754	CAI International Inc.	22,467	1,257
Resources Connection Inc.	42,873	677	* NOW Inc.	152,075	1,168
* Willdan Group Inc.	17,531	663	* MRC Global Inc.	107,176	879
		<b>425,348</b>	* Titan Machinery Inc.	26,311	756
			* DXP Enterprises Inc.	25,156	754
			Global Industrial Co.	18,239	702
<b>Road &amp; Rail (11.1%)</b>					<b>196,593</b>
Union Pacific Corp.	916,699	198,777	<b>Transportation Infrastructure (0.1%)</b>		
CSX Corp.	3,135,506	101,998	Macquarie Infrastructure Corp.	102,976	4,104
Norfolk Southern Corp.	345,322	87,553			
* Uber Technologies Inc.	1,678,802	65,708	<b>Total Common Stocks</b>		<b>5,800,536</b>
Old Dominion Freight Line Inc.	136,021	39,272	(Cost \$4,725,312)		
Kansas City Southern	125,492	35,222	<b>Temporary Cash Investments (0.1%)</b>		
JB Hunt Transport Services Inc.	116,628	20,690			
* Lyft Inc. Class A	353,846	16,847	<b>Money Market Fund (0.1%)</b>		
* XPO Logistics Inc.	130,999	11,385	<sup>3,4</sup> Vanguard Market Liquidity Fund, 0.068%		
Knight-Swift Transportation Holdings Inc.	216,864	11,262	(Cost \$5,732)	57,317	5,732
AMERCO	13,548	8,957	<b>Total Investments (99.9%)</b>		<b>5,806,268</b>
Landstar System Inc.	53,054	8,915	(Cost \$4,731,044)		
* Saia Inc.	36,297	8,716	<b>Other Assets and Liabilities—</b>		
* Avis Budget Group Inc.	72,266	6,558	<b>Net (0.1%)</b>		<b>3,868</b>
Ryder System Inc.	74,406	5,915	<b>Net Assets (100.0%)</b>		<b>5,810,136</b>
Werner Enterprises Inc.	84,252	3,973			
ArcBest Corp.	34,879	2,327	Cost is in \$000.		
* TuSimple Holdings Inc. Class A	51,063	2,137	• See Note A in Notes to Financial Statements.		
Schneider National Inc. Class B	78,830	1,777	* Non-income-producing security.		
Marten Transport Ltd.	85,233	1,329	1 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2021, the aggregate value was \$4,512,000, representing 0.1% of net assets.		
Heartland Express Inc.	71,436	1,199	2 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$4,629,000.		
* Daseke Inc.	62,738	593	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.		
* U.S. Xpress Enterprises Inc. Class A	34,956	305	4 Collateral of \$5,017,000 was received for securities on loan, of which \$5,016,000 is held in Vanguard Market Liquidity Fund and \$1,000 is held in cash.		
Universal Logistics Holdings Inc.	11,108	243			
		<b>641,658</b>			
<b>Software (0.0%)</b>					
* Rekor Systems Inc.	36	—			
<b>Trading Companies &amp; Distributors (3.4%)</b>					
Fastenal Co.	792,578	44,266			
* United Rentals Inc.	99,865	35,217			
WW Grainger Inc.	61,118	26,507			
Watsco Inc.	45,433	12,649			
* SiteOne Landscape Supply Inc.	61,298	12,266			
* WESCO International Inc.	62,403	7,302			
Air Lease Corp. Class A	149,808	5,953			
* Univar Solutions Inc.	233,627	5,516			
MSC Industrial Direct Co. Inc. Class A	64,827	5,459			
Triton International Ltd.	93,051	5,092			
Applied Industrial Technologies Inc.	53,604	4,761			
GATX Corp.	46,393	4,253			
* Beacon Roofing Supply Inc.	77,220	3,975			
* Herc Holdings Inc.	28,686	3,771			
Boise Cascade Co.	54,334	3,143			
* GMS Inc.	53,261	2,632			

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
E-mini S&P 500 Index	September 2021	13	2,938	37

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
L3Harris Technologies Inc.	8/31/22	BOANA	5,592	(0.080)	—	—

<sup>1</sup> 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.

BOANA—Bank of America, N.A.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$4,725,312)	5,800,536
Affiliated Issuers (Cost \$5,732)	5,732
Total Investments in Securities	5,806,268
Investment in Vanguard	193
Cash	1
Cash Collateral Pledged—Futures Contracts	150
Receivables for Investment Securities Sold	19,970
Receivables for Accrued Income	9,533
Receivables for Capital Shares Issued	321
<b>Total Assets</b>	<b>5,836,436</b>
<b>Liabilities</b>	
Due to Custodian	2,631
Payables for Investment Securities Purchased	17,294
Collateral for Securities on Loan	5,017
Payables for Capital Shares Redeemed	1,000
Payables to Vanguard	254
Variation Margin Payable—Futures Contracts	3
Unrealized Depreciation—Over-the-Counter Swap Contracts	—
Other Liabilities	101
<b>Total Liabilities</b>	<b>26,300</b>
<b>Net Assets</b>	<b>5,810,136</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	4,801,175
Total Distributable Earnings (Loss)	1,008,961
<b>Net Assets</b>	<b>5,810,136</b>

## ETF Shares—Net Assets

Applicable to 27,288,562 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,437,680
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$199.27</b>

## Admiral Shares—Net Assets

Applicable to 3,638,358 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	372,456
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$102.37</b>

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

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	64,280
Interest <sup>1</sup>	6
Securities Lending—Net	270
<b>Total Income</b>	<b>64,556</b>
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	715
Management and Administrative— ETF Shares	3,431
Management and Administrative— Admiral Shares	237
Marketing and Distribution— ETF Shares	170
Marketing and Distribution— Admiral Shares	13
Custodian Fees	14
Auditing Fees	30
Shareholders' Reports—ETF Shares	142
Shareholders' Reports—Admiral Shares	6
Trustees' Fees and Expenses	2
<b>Total Expenses</b>	<b>4,760</b>
<b>Net Investment Income</b>	<b>59,796</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	353,730
Futures Contracts	(30)
Swap Contracts	1,022
<b>Realized Net Gain (Loss)</b>	<b>354,722</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	95,785
Futures Contracts	37
Swap Contracts	(508)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>95,314</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,371,832</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$6,000, \$0, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$362,206,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	59,796	56,595
Realized Net Gain (Loss)	354,722	270,720
Change in Unrealized Appreciation (Depreciation)	95,314	(169,676)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,371,832</b>	<b>157,639</b>
<b>Distributions</b>		
ETF Shares	(52,853)	(58,321)
Admiral Shares	(3,611)	(3,648)
<b>Total Distributions</b>	<b>(56,464)</b>	<b>(61,969)</b>
<b>Capital Share Transactions</b>		
ETF Shares	1,116,320	(457,228)
Admiral Shares	78,505	2,094
<b>Net Increase (Decrease) from Capital Share Transactions</b>	<b>1,194,825</b>	<b>(455,134)</b>
<b>Total Increase (Decrease)</b>	<b>2,510,193</b>	<b>(359,464)</b>
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>3,299,943</b>	<b>3,659,407</b>
<b>End of Period</b>	<b>5,810,136</b>	<b>3,299,943</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$146.89</b>	<b>\$142.53</b>	<b>\$146.12</b>	<b>\$128.70</b>	<b>\$111.57</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.264	2.366	2.597	2.263	2.383
Net Realized and Unrealized Gain (Loss) on Investments	52.318	4.554	(3.754)	17.412	16.998
Total from Investment Operations	54.582	6.920	(1.157)	19.675	19.381
<b>Distributions</b>					
Dividends from Net Investment Income	(2.202)	(2.560)	(2.433)	(2.255)	(2.251)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.202)	(2.560)	(2.433)	(2.255)	(2.251)
<b>Net Asset Value, End of Period</b>	<b>\$199.27</b>	<b>\$146.89</b>	<b>\$142.53</b>	<b>\$146.12</b>	<b>\$128.70</b>
<b>Total Return</b>	<b>37.41%</b>	<b>4.96%</b>	<b>-0.73%</b>	<b>15.41%</b>	<b>17.55%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,438	\$3,090	\$3,457	\$3,957	\$3,202
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.25%	1.69%	1.87%	1.62%	1.95%
Portfolio Turnover Rate <sup>2</sup>	5%	4%	4%	4%	5%

1 Calculated based on average shares outstanding.

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

### Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$75.46</b>	<b>\$73.22</b>	<b>\$75.07</b>	<b>\$66.12</b>	<b>\$57.32</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.162	1.221	1.340	1.154	1.237
Net Realized and Unrealized Gain (Loss) on Investments	26.880	2.336	(1.941)	8.955	8.721
Total from Investment Operations	28.042	3.557	(.601)	10.109	9.958
<b>Distributions</b>					
Dividends from Net Investment Income	(1.132)	(1.317)	(1.249)	(1.159)	(1.158)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.132)	(1.317)	(1.249)	(1.159)	(1.158)
<b>Net Asset Value, End of Period</b>	<b>\$102.37</b>	<b>\$75.46</b>	<b>\$73.22</b>	<b>\$75.07</b>	<b>\$66.12</b>
<b>Total Return<sup>2</sup></b>	<b>37.43%</b>	<b>4.98%</b>	<b>-0.75%</b>	<b>15.41%</b>	<b>17.55%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$372	\$210	\$202	\$213	\$176
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.25%	1.71%	1.87%	1.62%	1.95%
Portfolio Turnover Rate <sup>3</sup>	5%	4%	4%	4%	5%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

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

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

During the year ended August 31, 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.

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 August 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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$193,000, representing less than 0.01% of the fund’s net assets and 0.08% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	5,800,536	—	—	5,800,536
Temporary Cash Investments	5,732	—	—	5,732
Total	5,806,268	—	—	5,806,268
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Futures Contracts <sup>1</sup>	37	—	—	37
<b>Liabilities</b>				
Swap Contracts	—	—	—	—

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

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

	Amount (\$000)
Paid-in Capital	361,801
Total Distributable Earnings (Loss)	(361,801)

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 recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	16,617
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(76,579)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	1,068,923

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	56,464	61,969
Long-Term Capital Gains	—	—
Total	56,464	61,969

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	4,737,346
Gross Unrealized Appreciation	1,411,233
Gross Unrealized Depreciation	(342,310)
Net Unrealized Appreciation (Depreciation)	1,068,923

E. During the year ended August 31, 2021, the fund purchased \$2,305,160,000 of investment securities and sold \$1,093,963,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,949,884,000 and \$849,510,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$12,162,000 and sales were \$4,119,000, resulting in net realized gain (loss) of \$136,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	2,002,840	10,975	651,928	5,081
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(886,520)	(4,725)	(1,109,156)	(8,300)
Net Increase (Decrease)—ETF Shares	1,116,320	6,250	(457,228)	(3,219)
<b>Admiral Shares</b>				
Issued	203,805	2,209	99,484	1,405
Issued in Lieu of Cash Distributions	3,138	36	3,135	44
Redeemed	(128,438)	(1,384)	(100,525)	(1,432)
Net Increase (Decrease)—Admiral Shares	78,505	861	2,094	17

At August 31, 2021, one shareholder was the record or beneficial owner of 33% of the fund's net assets. If this shareholder were to redeem its investment in the fund, the redemption might result in an increase in the fund's expense ratio, cause the fund to incur higher transaction costs, or lead to the realization of taxable capital gains.

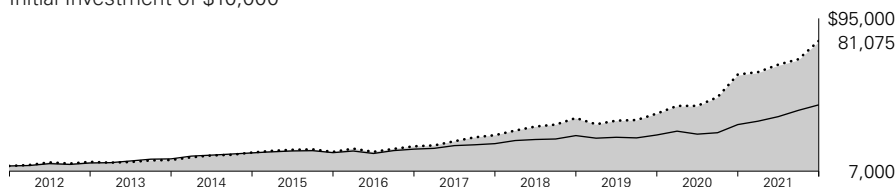
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Information Technology Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Information Technology Index Fund ETF Shares Net Asset Value	30.80%	30.79%	23.28%	\$81,075
Information Technology Index Fund ETF Shares Market Price	30.68	30.78	23.27	81,049
Information Technology Spliced Index	30.94	30.94	23.43	82,054
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Information Technology Index Fund Admiral Shares	30.81%	30.80%	23.29%	\$811,544
Information Technology Spliced Index	30.94	30.94	23.43	820,538
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

Information Technology Spliced Index: MSCI US IMI/Information Technology through February 28, 2010; MSCI US IMI/Information Technology 25/50 through May 2, 2018; MSCI US IMI/Information Technology 25/50 Transition Index through December 2, 2018; MSCI US IMI/Information Technology 25/50 thereafter.

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

	One Year	Five Years	Ten Years
Information Technology Index Fund ETF Shares Market Price	30.68%	282.58%	710.49%
Information Technology Index Fund ETF Shares Net Asset Value	30.80	282.67	710.75
Information Technology Spliced Index	30.94	284.85	720.54

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Communications Equipment	3.0%
Electronic Equipment, Instruments & Components	3.3
IT Services	17.9
Semiconductors & Semiconductor Equipment	18.9
Software	35.6
Technology Hardware, Storage & Peripherals	21.3

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

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

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

## Financial Statements

### Schedule of Investments

As of August 31, 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.7%)</b>								
<b>Communications Equipment (2.9%)</b>								
Cisco Systems Inc.	19,470,098	1,149,125	* Rogers Corp.	86,508	18,375	* MongoDB Inc. Class A	258,176	101,161
Motorola Solutions Inc.	783,863	191,435	* Fabrinet	170,481	17,563	* FleetCor		
* Arista Networks Inc.	264,511	97,745	* Itron Inc.	208,493	17,516	Technologies Inc.	365,842	96,319
* F5 Networks Inc.	275,535	56,091	* Insight Enterprises Inc.	162,934	16,764	Broadridge Financial		
* Juniper Networks Inc.	1,514,474	43,889	Advanced Energy			Solutions Inc.	536,470	92,391
* Ciena Corp.	716,306	40,922	Industries Inc.	177,620	16,018	* Akamai		
* Lumentum Holdings Inc.	349,840	30,310	Badger Meter Inc.	134,897	14,446	Technologies Inc.	753,043	85,282
* Viavi Solutions Inc.	1,056,849	17,216	Vishay			Jack Henry &		
* CommScope Holding			Intertechnology Inc.	613,680	13,483	Associates Inc.	343,293	60,550
Co. Inc.	943,348	14,905	* Plexus Corp.	132,193	12,139	* GoDaddy Inc. Class A	775,266	56,835
* ViaSat Inc.	251,057	12,964	* Sanmina Corp.	300,798	11,876	* DXC Technology Co.	1,176,501	43,201
* Calix Inc.	259,607	12,098	Belden Inc.	206,878	11,844	Western Union Co.	1,890,842	40,918
* NetScout Systems Inc.	340,722	9,343	* MicroVision Inc.	720,362	10,611	* WEX Inc.	206,760	37,955
* Infinera Corp.	806,138	6,828	* Knowles Corp.	428,693	8,574	* Concentrix Corp.	204,496	35,458
* Extreme Networks Inc.	583,457	6,319	Methode			* Euronet Worldwide Inc.	244,048	32,514
* Plantronics Inc.	180,547	5,377	Electronics Inc.	174,946	8,147	Maximus Inc.	284,053	24,738
* EchoStar Corp. Class A	189,547	5,118	* OSI Systems Inc.	79,770	7,892	Alliance Data Systems		
* NETGEAR Inc.	141,005	5,038	* PAR Technology Corp.	114,017	7,745	Corp.	218,360	21,423
* ADTRAN Inc.	224,829	4,645	* ePlus Inc.	62,423	6,755	*.1 Fastly Inc. Class A	464,446	20,250
* Harmonic Inc.	469,347	4,337	* TTM Technologies Inc.	468,668	6,561	* ExlService Holdings Inc.	153,533	18,906
* Digi International Inc.	159,376	3,503	* FARO Technologies Inc.	83,975	5,789	* Perficient Inc.	151,801	18,098
Comtech			* nLight Inc.	178,201	4,920	* Sabre Corp.	1,403,192	15,758
Telecommunications			CTS Corp.	134,259	4,710	* LiveRamp Holdings Inc.	316,193	15,493
Corp.	120,619	3,078	Benchmark			* Shift4 Payments Inc.		
*.1 Inseego Corp.	356,753	2,997	Electronics Inc.	165,710	4,479	Class A	179,466	15,382
* Ribbon			* ScanSource Inc.	120,219	4,277	EVERTEC Inc.	281,852	13,036
Communications Inc.	439,493	2,870	*.1 Velodyne Lidar Inc.	431,261	2,846	Switch Inc. Class A	458,307	11,371
* Cambium Networks			* Napco Security			* BigCommerce		
Corp.	42,761	1,602	Technologies Inc.	71,116	2,783	Holdings Inc. Series 1	175,679	10,460
* Casa Systems Inc.	157,257	1,107	* Kimball Electronics Inc.	111,853	2,704	* Verra Mobility Corp.		
			PC Connection Inc.	52,482	2,541	Class A	638,248	9,899
			* FARO Technologies Inc.	385,400	2,389	TTEC Holdings Inc.	85,600	9,027
			*.1 908 Devices Inc.	30,576	1,101	* Repay Holdings Corp.		
						Class A	353,434	8,132
						* Unisys Corp.	305,229	7,390
						CSG Systems		
						International Inc.	151,950	7,325
						* Conduent Inc.	786,274	5,740
						* Evo Payments Inc.		
						Class A	217,691	5,538
						* Grid Dynamics		
						Holdings Inc.	177,855	4,761
						SolarWinds Corp.	182,645	3,118
						* Paya Holdings Inc.		
						Class A	322,779	3,115
						* Tucows Inc. Class A	41,166	3,051
						* I3 Verticals Inc. Class A	101,685	2,940
						Cass Information		
						Systems Inc.	63,347	2,856
						* Rackspace		
						Technology Inc.	183,948	2,570
						* International Money		
						Express Inc.	139,117	2,537
						* Cantaloupe Inc.	235,763	2,414
						Hackett Group Inc.	118,862	2,330
						* Brightcove Inc.	149,647	1,700
						* Marqeta Inc. Class A	12,028	349
								10,474,891
<b>Electronic Equipment, Instruments &amp; Components (3.3%)</b>			<b>IT Services (17.9%)</b>					
TE Connectivity Ltd.	1,525,829	229,210	Visa Inc. Class A	7,316,418	1,676,191			
* Amphenol Corp. Class A	2,761,086	211,582	* PayPal Holdings Inc.	5,155,916	1,488,307			
* Keysight			Mastercard Inc. Class A	4,087,045	1,415,058			
Technologies Inc.	852,474	152,917	Accenture plc Class A	2,936,714	988,380			
* Corning Inc.	3,735,765	149,393	International Business					
* Zebra Technologies			Machines Corp.	4,128,196	579,351			
Corp. Class A	247,234	145,168	* Square Inc. Class A	1,811,069	485,493			
CDW Corp.	647,857	129,967	Automatic Data					
* Trimble Inc.	1,159,633	109,261	Processing Inc.	1,966,123	410,998			
* Teledyne			Fidelity National					
Technologies Inc.	213,616	98,985	Information					
* Cognex Corp.	816,083	72,321	Services Inc.	2,865,093	366,073			
* Flex Ltd.	2,268,281	42,145	* Fiserv Inc.	2,772,627	326,588			
* Arrow Electronics Inc.	342,727	41,545	* Snowflake Inc. Class A	884,217	269,111			
Jabil Inc.	653,345	40,364	* Twilio Inc. Class A	750,134	267,768			
* Littelfuse Inc.	113,503	32,394	Global Payments Inc.	1,363,987	221,839			
* II-VI Inc.	484,761	30,530	Cognizant Technology					
* IPG Photonics Corp.	173,357	29,589	Solutions Corp.					
* Coherent Inc.	113,355	28,641	Class A	2,436,918	185,961			
* Vontier Corp.	779,787	28,361	* Paychex Inc.	1,498,637	171,549			
* SYNEX Corp.	202,935	25,787	* EPAM Systems Inc.	260,627	164,927			
National Instruments			* Okta Inc.	577,702	152,282			
Corp.	608,281	25,438	* Cloudflare Inc. Class A	1,065,486	128,647			
* Novanta Inc.	162,731	24,934	* Gartner Inc.	397,783	122,812			
Avnet Inc.	459,875	18,607	* VeriSign Inc.	468,256	101,265			

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Semiconductors &amp; Semiconductor Equipment (18.8%)</b>								
NVIDIA Corp.	11,512,668	2,577,111	* Impinj Inc.	83,434	4,863	* Varonis Systems Inc. Class B	490,558	33,853
Intel Corp.	18,656,242	1,008,556	* Photronics Inc.	292,209	4,404	* Nutanix Inc. Class A	894,197	33,005
Broadcom Inc.	1,886,313	937,894	* Magnachip Semiconductor Corp.	198,105	3,615	* Unity Software Inc.	258,229	32,731
Texas Instruments Inc.	4,266,389	814,496	* PDF Solutions Inc.	139,325	3,138	* Dolby Laboratories Inc. Class A	301,476	29,879
QUALCOMM Inc.	5,211,538	764,481	* Alpha & Omega Semiconductor Ltd.	101,189	2,940	* Rapid7 Inc.	241,360	29,330
* Advanced Micro Devices Inc.	5,613,351	621,510	* NeoPhotonics Corp.	230,635	2,154	* Teradata Corp.	506,446	27,698
Applied Materials Inc.	4,239,692	572,910			11,007,648	* Everbridge Inc.	173,969	27,308
Analog Devices Inc.	2,484,903	404,915	<b>Software (35.5%)</b>			* J2 Global Inc.	198,186	27,290
Lam Research Corp.	658,908	398,521	* Microsoft Corp.	33,056,706	9,979,158	* Blackline Inc.	241,357	26,332
* Micron Technology Inc.	5,180,998	381,840	* Adobe Inc.	2,208,400	1,465,715	* Pegasystems Inc.	187,717	25,835
NXP Semiconductors NV	1,273,988	274,073	* salesforce.com Inc.	4,488,527	1,190,672	* NCR Corp.	605,425	25,718
KLA Corp.	708,203	240,761	* Oracle Corp.	8,660,531	771,913	* Workiva Inc. Class A	175,356	24,597
Marvell Technology Inc.	3,784,541	231,576	* Intuit Inc.	1,262,502	714,715	*.1 MicroStrategy Inc. Class A	35,207	24,444
Microchip Technology Inc.	1,263,017	198,748	* ServiceNow Inc.	912,206	587,132	* CDK Global Inc.	560,597	23,321
Xilinx Inc.	1,135,768	176,714	* Autodesk Inc.	1,016,697	315,268	* Digital Turbine Inc.	392,554	22,945
Skyworks Solutions Inc.	762,692	139,923	* Zoom Video Communications Inc. Class A	982,228	284,355	* SPS Commerce Inc.	165,715	22,459
* Enphase Energy Inc.	595,427	103,444	* DocuSign Inc. Class A	898,658	266,218	* Asana Inc. Class A	296,605	22,409
Monolithic Power Systems Inc.	200,821	99,392	* CrowdStrike Holdings Inc. Class A	873,778	245,532	* Q2 Holdings Inc.	247,121	21,769
* Qorvo Inc.	520,137	97,801	* Workday Inc. Class A	872,917	238,446	* Sprout Social Inc. Class A	174,873	21,265
Teradyne Inc.	768,169	93,286	* Synopsys Inc.	704,795	234,161	* New Relic Inc.	265,328	21,218
* ON Semiconductor Corp.	1,972,489	87,500	* Cadence Design Systems Inc.	1,285,666	210,181	* Alteryx Inc. Class A	273,641	20,241
Entegris Inc.	625,992	75,207	* Palo Alto Networks Inc.	449,970	207,454	* Envestnet Inc.	251,404	20,080
SolarEdge Technologies Inc.	240,138	69,587	* Fortinet Inc.	641,401	202,131	* FireEye Inc.	1,102,047	20,046
* Cree Inc.	533,382	45,327	* Palantir Technologies Inc. Class A	7,058,544	185,922	* Sailpoint Technologies Holdings Inc.	426,746	19,997
Universal Display Corp.	206,889	43,155	* Trade Desk Inc. Class A	1,991,638	159,431	* Mimecast Ltd.	285,930	19,961
* First Solar Inc.	442,043	41,552	* ANSYS Inc.	402,638	147,108	* LivePerson Inc.	303,634	19,463
* Lattice Semiconductor Corp.	630,969	39,196	* HubSpot Inc.	205,076	140,368	* Box Inc. Class A	751,924	19,385
MKS Instruments Inc.	255,723	37,637	* Datadog Inc. Class A	864,346	119,107	* Cerence Inc.	174,780	18,953
* Silicon Laboratories Inc.	206,645	32,571	* Splunk Inc.	757,211	115,755	*.1 Marathon Digital Holdings Inc.	456,035	18,510
* Synaptics Inc.	162,088	30,761	* Paycom Software Inc.	236,346	115,550	* Alarm.com Holdings Inc.	218,471	18,424
Power Integrations Inc.	280,177	30,438	* Zscaler Inc.	376,835	104,888	* Qualys Inc.	153,728	18,045
Brooks Automation Inc.	343,333	29,170	* Tyler Technologies Inc.	188,187	91,402	* Appian Corp. Class A	163,654	17,544
* Cirrus Logic Inc.	265,683	22,230	* Bill.Com Holdings Inc.	326,363	89,551	* Cloudera Inc.	1,079,206	17,192
* Semtech Corp.	299,893	20,969	* RingCentral Inc. Class A	354,413	89,404	* ACI Worldwide Inc.	492,133	15,861
Kulicke & Soffa Industries Inc.	286,776	20,129	* Coupa Software Inc.	336,591	82,401	* Medallia Inc.	469,036	15,839
* Diodes Inc.	206,102	19,957	* SS&C Technologies Holdings Inc.	1,063,336	80,452	* Altair Engineering Inc. Class A	211,245	15,630
CMC Materials Inc.	135,049	17,910	* Nuance Communications Inc.	1,321,556	72,752	* Vonage Holdings Corp.	1,103,622	15,561
* Ambarella Inc.	167,347	17,332	* Avalara Inc.	397,258	71,387	* CommVault Systems Inc.	191,526	15,508
* MaxLinear Inc.	330,915	17,284	* NortonLifeLock Inc.	2,679,563	71,169	* Tenable Holdings Inc.	340,306	15,099
* Onto Innovation Inc.	226,647	16,801	* Ceridian HCM Holding Inc.	620,592	69,724	* Cornerstone OnDemand Inc.	258,030	14,785
Amkor Technology Inc.	507,693	13,946	* Zendesk Inc.	548,196	67,757	*.1 Riot Blockchain Inc.	387,095	14,446
* FormFactor Inc.	355,076	13,805	* PTC Inc.	512,909	67,530	* Blackbaud Inc.	203,022	14,149
* MACOM Technology Solutions Holdings Inc. Class H	222,061	13,481	* Fair Isaac Corp.	132,966	61,130	* Verint Systems Inc.	299,504	13,370
* Rambus Inc.	519,406	12,362	* Citrix Systems Inc.	573,529	58,999	* PagerDuty Inc.	308,583	13,207
* Sitime Corp.	56,869	12,104	* Dynatrace Inc.	848,711	58,332	* Qualtrics International Inc. Class A	290,168	13,139
* Ultra Clean Holdings Inc.	202,391	9,359	*.1 VMware Inc. Class A	387,269	57,653	*.2 Proofpoint Inc.	68,360	12,031
* SunPower Corp.	400,068	8,621	* Black Knight Inc.	724,902	54,853	* Domo Inc. Class B	132,804	11,886
* Cohu Inc.	225,944	8,062	* Bentley Systems Inc. Class B	796,183	51,346	* 8x8 Inc.	486,421	11,747
* Allegro MicroSystems Inc.	261,497	7,858	* Five9 Inc.	310,148	49,075	* SentinelOne Inc. Class A	182,795	11,686
* Xcelis Technologies Inc.	157,825	7,845	* Manhattan Associates Inc.	293,958	47,912	* Momentive Global Inc.	571,889	11,215
* Ichor Holdings Ltd.	129,879	5,755	* Paylocity Holding Corp.	175,690	47,296	* Xperi Holding Corp.	483,538	10,333
* Veeco Instruments Inc.	237,548	5,414	* Dropbox Inc. Class A	1,469,143	46,587	* InterDigital Inc.	142,250	10,258
* ACM Research Inc. Class A	58,703	5,233	* Elastic NV	290,337	46,323	*.1 C3.ai Inc. Class A	184,295	9,499
* CEVA Inc.	105,362	5,084	* Smartsheet Inc. Class A	548,453	43,640	* Progress Software Corp.	203,251	9,463
* SMART Global Holdings Inc.	101,950	4,940	* Guidewire Software Inc.	367,503	43,534	* Appfolio Inc. Class A	78,804	9,307
			* Aspen Technology Inc.	313,953	40,657	* Bottomline Technologies DE Inc.	207,057	8,752
			* Anaplan Inc.	602,685	36,149	* Zuora Inc. Class A	514,317	8,733

	Shares	Market Value* (\$000)
* Duck Creek Technologies Inc.	182,573	8,513
* PROS Holdings Inc.	194,431	8,407
* nCino Inc.	132,360	8,208
* Avaya Holdings Corp.	390,874	7,884
* <sup>1</sup> JFrog Ltd.	172,998	6,650
* Yext Inc.	466,523	6,307
* Agilysys Inc.	105,547	5,998
* Jamf Holding Corp.	163,341	5,741
* Ping Identity Holding Corp.	208,547	5,412
McAfee Corp. Class A	189,351	5,029
* Model N Inc.	148,033	5,020
QAD Inc. Class A	54,949	4,781
* Upland Software Inc.	116,255	4,532
* Mitek Systems Inc.	198,054	4,430
American Software Inc. Class A	147,991	3,755
* A10 Networks Inc.	268,509	3,730
* Ebix Inc.	121,621	3,500
* OneSpan Inc.	145,589	2,805
* N-Able Inc.	206,839	2,799
* Telos Corp.	81,049	2,675
* Vertex Inc. Class A	120,749	2,499
* Cleanspark Inc.	154,031	2,126
* <sup>1</sup> Digimarc Corp.	58,847	1,721
* Rimini Street Inc.	168,062	1,605
* Rekor Systems Inc.	141,412	1,544
* AppLovin Corp. Class A	14,781	1,041
* SecureWorks Corp. Class A	35,836	733

20,788,391

**Technology Hardware, Storage & Peripherals  
(21.3%)**

Apple Inc.	77,100,626	11,706,188
HP Inc.	5,782,804	171,981
* Dell Technologies Inc. Class C	1,281,758	124,920
Hewlett Packard Enterprise Co.	6,010,634	92,924
NetApp Inc.	1,028,326	91,449
* Western Digital Corp.	1,415,924	89,486
Seagate Technology Holdings plc	951,961	83,382
* Pure Storage Inc. Class A	1,243,111	32,110
* 3D Systems Corp.	577,857	17,590
Xerox Holdings Corp.	753,743	16,967
* Super Micro Computer Inc.	184,438	6,739
* Avid Technology Inc.	158,620	4,094
* <sup>1</sup> Corsair Gaming Inc.	132,093	3,824
* Diebold Nixdorf Inc.	348,386	3,791

12,445,445

**Total Common Stocks  
(Cost \$30,113,906)**

58,357,224

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (0.4%)</b>		
<b>Money Market Fund (0.4%)</b>		
<sup>3,4</sup> Vanguard Market Liquidity Fund, 0.068% (Cost \$245,185)	2,452,287	245,229
<b>Total Investments (100.1%) (Cost \$30,359,091)</b>		
		58,602,453
<b>Other Assets and Liabilities— Net (-0.1%)</b>		
		(63,351)
<b>Net Assets (100.0%)</b>		<b>58,539,102</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$113,246,000.

2 Security value determined using significant unobservable inputs.

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

4 Collateral of \$116,748,000 was received for securities on loan, of which \$116,424,000 is held in Vanguard Market Liquidity Fund and \$324,000 is held in cash.

## Derivative Financial Instruments Outstanding as of Period End

## Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
E-mini NASDAQ 100 Index	September 2021	252	78,536	2,796

## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Visa Inc. Class A	8/31/22	BOANA	114,550	0.020	160	—

<sup>1</sup> 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.

BOANA—Bank of America, N.A.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$30,113,906)	58,357,224
Affiliated Issuers (Cost \$245,185)	245,229
Total Investments in Securities	58,602,453
Investment in Vanguard	1,892
Cash	324
Cash Collateral Pledged—Futures Contracts	3,850
Cash Collateral Pledged—Over-the-Counter Swap Contracts	1,300
Receivables for Investment Securities Sold	558,477
Receivables for Accrued Income	41,850
Receivables for Capital Shares Issued	28,426
Unrealized Appreciation—Over-the-Counter Swap Contracts	160
<b>Total Assets</b>	<b>59,238,732</b>
<b>Liabilities</b>	
Due to Custodian	3,140
Payables for Investment Securities Purchased	565,787
Collateral for Securities on Loan	116,748
Payables for Capital Shares Redeemed	11,381
Payables to Vanguard	2,506
Variation Margin Payable—Futures Contracts	68
<b>Total Liabilities</b>	<b>699,630</b>
<b>Net Assets</b>	<b>58,539,102</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	30,526,286
Total Distributable Earnings (Loss)	28,012,816
<b>Net Assets</b>	<b>58,539,102</b>

## ETF Shares—Net Assets

Applicable to 120,141,710 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	51,237,926
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$426.48</b>

## Admiral Shares—Net Assets

Applicable to 33,433,861 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	7,301,176
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$218.38</b>

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

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	399,198
Interest <sup>1</sup>	112
Securities Lending—Net	1,228
Total Income	400,538
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	2,726
Management and Administrative— ETF Shares	37,689
Management and Administrative— Admiral Shares	5,238
Marketing and Distribution— ETF Shares	1,283
Marketing and Distribution— Admiral Shares	261
Custodian Fees	91
Auditing Fees	30
Shareholders' Reports—ETF Shares	858
Shareholders' Reports—Admiral Shares	33
Trustees' Fees and Expenses	18
Total Expenses	48,227
<b>Net Investment Income</b>	<b>352,311</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	3,353,330
Futures Contracts	10,774
Swap Contracts	19,952
<b>Realized Net Gain (Loss)</b>	<b>3,384,056</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	9,686,603
Futures Contracts	(484)
Swap Contracts	(10,781)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>9,675,338</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>13,411,705</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$110,000, \$2,000, and (\$2,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$3,420,649,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	352,311	353,521
Realized Net Gain (Loss)	3,384,056	1,451,240
Change in Unrealized Appreciation (Depreciation)	9,675,338	13,001,468
Net Increase (Decrease) in Net Assets Resulting from Operations	13,411,705	14,806,229
<b>Distributions</b>		
ETF Shares	(306,828)	(318,133)
Admiral Shares	(42,093)	(38,529)
Total Distributions	(348,921)	(356,662)
<b>Capital Share Transactions</b>		
ETF Shares	1,067,107	5,140,709
Admiral Shares	549,053	1,061,125
Net Increase (Decrease) from Capital Share Transactions	1,616,160	6,201,834
Total Increase (Decrease)	14,678,944	20,651,401
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>43,860,158</b>	<b>23,208,757</b>
<b>End of Period</b>	<b>58,539,102</b>	<b>43,860,158</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$328.54</b>	<b>\$213.66</b>	<b>\$202.82</b>	<b>\$151.19</b>	<b>\$117.82</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.634	2.926	2.572	1.921	1.646
Net Realized and Unrealized Gain (Loss) on Investments	97.919	114.955	10.792	51.430	33.329
Total from Investment Operations	100.553	117.881	13.364	53.351	34.975
<b>Distributions</b>					
Dividends from Net Investment Income	(2.613)	(3.001)	(2.524)	(1.721)	(1.605)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.613)	(3.001)	(2.524)	(1.721)	(1.605)
<b>Net Asset Value, End of Period</b>	<b>\$426.48</b>	<b>\$328.54</b>	<b>\$213.66</b>	<b>\$202.82</b>	<b>\$151.19</b>
<b>Total Return</b>	<b>30.80%</b>	<b>55.72%</b>	<b>6.70%</b>	<b>35.52%</b>	<b>29.93%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$51,238	\$38,711	\$20,738	\$22,595	\$14,638
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.73%	1.17%	1.32%	1.10%	1.24%
Portfolio Turnover Rate <sup>2</sup>	4%	5%	5%	7%	6%

1 Calculated based on average shares outstanding.

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

### Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$168.23</b>	<b>\$109.40</b>	<b>\$103.86</b>	<b>\$77.42</b>	<b>\$60.33</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.353	1.504	1.326	1.001	.850
Net Realized and Unrealized Gain (Loss) on Investments	50.136	58.864	5.509	26.324	17.062
Total from Investment Operations	51.489	60.368	6.835	27.325	17.912
<b>Distributions</b>					
Dividends from Net Investment Income	(1.339)	(1.538)	(1.295)	(.885)	(.822)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.339)	(1.538)	(1.295)	(.885)	(.822)
<b>Net Asset Value, End of Period</b>	<b>\$218.38</b>	<b>\$168.23</b>	<b>\$109.40</b>	<b>\$103.86</b>	<b>\$77.42</b>
<b>Total Return<sup>2</sup></b>	<b>30.81%</b>	<b>55.78%</b>	<b>6.70%</b>	<b>35.54%</b>	<b>29.94%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$7,301	\$5,149	\$2,470	\$2,033	\$933
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	0.73%	1.17%	1.32%	1.10%	1.24%
Portfolio Turnover Rate <sup>3</sup>	4%	5%	5%	7%	6%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

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

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

During the year ended August 31, 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.

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 August 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. 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 alternate rate agreed to by the fund and Vanguard.

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

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

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$1,892,000, representing less than 0.01% of the fund’s net assets and 0.76% of Vanguard’s capital received pursuant to the FSA. The fund’s trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	58,345,193	—	12,031	58,357,224
Temporary Cash Investments	245,229	—	—	245,229
Total	58,590,422	—	12,031	58,602,453
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Futures Contracts <sup>1</sup>	2,796	—	—	2,796
Swap Contracts	—	160	—	160
Total	2,796	160	—	2,956

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

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

	Amount (\$000)
Paid-in Capital	3,420,643
Total Distributable Earnings (Loss)	(3,420,643)

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 recognition of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	126,375
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(339,928)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	28,226,369

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021	2020
	Amount (\$000)	Amount (\$000)
Ordinary Income*	348,921	356,662
Long-Term Capital Gains	—	—
Total	348,921	356,662

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	30,376,083
Gross Unrealized Appreciation	28,558,677
Gross Unrealized Depreciation	(332,308)
Net Unrealized Appreciation (Depreciation)	28,226,369

E. During the year ended August 31, 2021, the fund purchased \$8,895,071,000 of investment securities and sold \$7,281,173,000 of investment securities, other than temporary cash investments. Purchases and sales include \$5,932,242,000 and \$5,203,447,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$13,382,000 and sales were \$30,825,000, resulting in net realized gain (loss) of (\$1,168,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	6,291,821	16,864	7,928,607	32,065
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(5,224,714)	(14,550)	(2,787,898)	(11,300)
Net Increase (Decrease)—ETF Shares	1,067,107	2,314	5,140,709	20,765
<b>Admiral Shares</b>				
Issued	2,226,601	12,124	2,339,727	18,276
Issued in Lieu of Cash Distributions	38,227	218	35,023	293
Redeemed	(1,715,775)	(9,519)	(1,313,625)	(10,540)
Net Increase (Decrease)—Admiral Shares	549,053	2,823	1,061,125	8,029

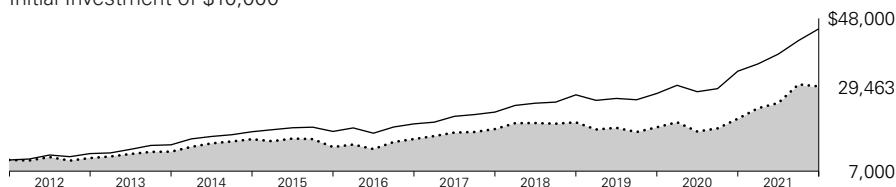
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Materials Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Materials Index Fund ETF Shares Net Asset Value	41.00%	13.66%	11.41%	\$29,463
Materials Index Fund ETF Shares Market Price	40.89	13.66	11.41	29,454
MSCI US Investable Market Materials 25/50 Index	41.15	13.74	11.51	29,738
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Materials Index Fund Admiral Shares	41.04%	13.67%	11.42%	\$294,886
MSCI US Investable Market Materials 25/50 Index	41.15	13.74	11.51	297,380
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Materials Index Fund ETF Shares Market Price	40.89%	89.67%	194.54%
Materials Index Fund ETF Shares Net Asset Value	41.00	89.70	194.63
MSCI US Investable Market Materials 25/50 Index	41.15	90.39	197.38

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Chemicals	62.4%
Construction Materials	4.6
Containers & Packaging	14.5
Metals & Mining	17.4
Paper & Forest Products	1.1

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

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

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

## Financial Statements

### Schedule of Investments

As of August 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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.9%)</b>								
<b>Chemicals (62.3%)</b>								
Linde plc	2,031,923	639,223	* AdvanSix Inc.	109,010	3,979	* Arconic Corp.	407,640	14,060
Sherwin-Williams Co.	993,071	301,566	Chase Corp.	29,354	3,361	Hecla Mining Co.	2,088,058	12,842
Air Products and Chemicals Inc.	864,458	232,980	Hawkins Inc.	73,626	2,789	Compass Minerals International Inc.	132,684	8,881
Ecolab Inc.	1,005,190	226,530	* Koppers Holdings Inc.	82,160	2,703	* Allegheny Technologies Inc.	496,705	8,871
Dow Inc.	2,917,943	183,539	Ecovyst Inc.	158,577	2,063	* MP Materials Corp.	233,717	7,846
DuPont de Nemours Inc.	2,078,729	153,868	* Rayonier Advanced Materials Inc.	236,890	1,672	Kaiser Aluminum Corp.	61,902	7,816
PPG Industries Inc.	926,118	147,762	American Vanguard Corp.	107,936	1,655	Worthington Industries Inc.	134,465	7,792
International Flavors & Fragrances Inc.	972,292	147,302	Tredegar Corp.	107,110	1,422	* Coeur Mining Inc.	1,000,130	7,051
Corteva Inc.	2,879,305	126,603	Kronos Worldwide Inc.	89,240	1,182	Carpenter Technology Corp.	188,185	6,276
Albemarle Corp.	455,945	107,940	FutureFuel Corp.	102,918	824	Materion Corp.	79,871	5,833
LyondellBasell Industries NV Class A	1,044,953	104,861	* Venator Materials plc	247,265	809	Schnitzer Steel Industries Inc. Class A	100,913	4,774
Celanese Corp. Class A	440,051	69,792				Warrior Met Coal Inc.	200,453	4,488
Eastman Chemical Co.	533,442	60,364	<b>Construction Materials (4.6%)</b>			* Century Aluminum Co.	211,686	2,714
FMC Corp.	503,670	47,159	Vulcan Materials Co.	518,289	96,366	SunCoke Energy Inc.	320,632	2,228
Mosaic Co.	1,409,977	45,373	Martin Marietta Materials Inc.	243,664	92,897	* Gatos Silver Inc.	143,184	2,053
RPM International Inc.	505,627	41,608	Eagle Materials Inc.	157,159	24,649	* TimkenSteel Corp.	144,412	1,976
CF Industries Holdings Inc.	837,408	38,035	* Summit Materials Inc. Class A	458,067	15,423	* McEwen Mining Inc.	1,506,857	1,733
Olin Corp.	559,255	27,873	* Forterra Inc.	116,630	2,687	Ryerson Holding Corp.	67,776	1,569
Scotts Miracle-Gro Co.	163,294	25,609						<b>871,281</b>
* Axalta Coating Systems Ltd.	818,429	24,995	<b>Containers &amp; Packaging (14.5%)</b>			<b>Paper &amp; Forest Products (1.1%)</b>		
Huntsman Corp.	822,364	21,735	Ball Corp.	1,282,117	123,032	Louisiana-Pacific Corp.	399,172	25,324
Chemours Co.	646,201	21,654	International Paper Co.	1,453,617	87,348	* Domtar Corp.	196,407	10,769
Valvoline Inc.	707,935	21,351	Amcor plc	6,022,531	77,390	Schweitzer-Mauduit International Inc.	122,244	4,678
Ashland Global Holdings Inc.	225,144	20,513	Avery Dennison Corp.	324,144	73,059	Neenah Inc.	66,317	3,342
Element Solutions Inc.	870,430	19,785	Crown Holdings Inc.	527,009	57,860	Glatfelter Corp.	173,937	2,748
Avient Corp.	356,920	18,592	Packaging Corp. of America	370,252	56,167	* Clearwater Paper Corp.	65,355	2,123
Balchem Corp.	126,627	17,781	Westrock Co.	1,039,686	54,105	Verso Corp. Class A	101,672	1,937
W R Grace & Co.	220,110	15,329	Sealed Air Corp.	594,096	36,258	Mercer International Inc.	169,269	1,926
Sensient Technologies Corp.	164,991	14,330	* Berry Global Group Inc.	527,307	35,419			<b>52,847</b>
* Livent Corp.	572,065	14,227	AptarGroup Inc.	256,504	34,577	<b>Total Common Stocks (Cost \$4,185,155)</b>		
HB Fuller Co.	204,121	13,792	Sonoco Products Co.	392,680	25,642			
Quaker Chemical Corp.	52,326	13,559	Graphic Packaging Holding Co.	1,109,131	22,759	<b>Temporary Cash Investments (0.0%)</b>		
Westlake Chemical Corp.	150,300	13,129	Silgan Holdings Inc.	344,694	14,625	<b>Money Market Fund (0.0%)</b>		
* Ingevity Corp.	156,236	12,560	* O-I Glass Inc.	617,369	9,341	<sup>1</sup> Vanguard Market Liquidity Fund 0.068%		
NewMarket Corp.	34,181	11,954	Greif Inc. Class A	98,578	6,242	(Cost \$1,168)	11,676	1,168
Cabot Corp.	221,244	11,814	* Ranpak Holdings Corp. Class A	152,476	4,681	<b>Total Investments (99.9%) (Cost \$4,186,323)</b>		
Minerals Technologies Inc.	131,613	10,350	Myers Industries Inc.	120,764	2,753			
Stepan Co.	83,346	9,798	Pactiv Evergreen Inc.	174,463	2,399	<b>Other Assets and Liabilities—Net (0.1%)</b>		
Tronox Holdings plc Class A	448,619	9,479						
* Amyris Inc.	625,731	9,417	<b>Metals &amp; Mining (17.4%)</b>			<b>Net Assets (100.0%)</b>		
Innospec Inc.	96,161	9,001	Freeport-McMoRan Inc.	5,724,850	208,327			
Trinseo SA	120,928	6,280	Newmont Corp.	3,129,608	181,486			
* Ferro Corp.	290,521	6,043	Nucor Corp.	1,169,055	137,434			
* Kraton Corp.	126,028	5,308	Steel Dynamics Inc.	825,425	55,708			
* Danimer Scientific Inc.	267,103	5,219	* Cleveland-Cliffs Inc.	1,854,033	43,514			
* Orion Engineered Carbons SA	237,588	4,198	Reliance Steel & Aluminum Co.	248,715	37,317			
* GCP Applied Technologies Inc.	171,387	4,086	Alcoa Corp.	728,873	32,340			
			Royal Gold Inc.	256,178	28,520			
			U.S. Steel Corp.	840,609	22,486			
			Commercial Metals Co.	470,448	15,346			

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

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

## Derivative Financial Instruments Outstanding as of Period End

## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
United States Steel Corp.	8/31/22	BOANA	5,671	(0.080)	—	—

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

1M—1-month.

BOANA—Bank of America, N.A.

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$4,185,155)	4,996,532
Affiliated Issuers (Cost \$1,168)	1,168
Total Investments in Securities	4,997,700
Investment in Vanguard	164
Cash Collateral Pledged—Over-the-Counter Swap Contracts	520
Receivables for Investment Securities Sold	14,180
Receivables for Accrued Income	8,233
Receivables for Capital Shares Issued	592
<b>Total Assets</b>	<b>5,021,389</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	17,474
Payables for Capital Shares Redeemed	1,415
Payables to Vanguard	218
Unrealized Depreciation—Over-the-Counter Swap Contracts	—
<b>Total Liabilities</b>	<b>19,107</b>
<b>Net Assets</b>	<b>5,002,282</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	4,291,554
Total Distributable Earnings (Loss)	710,728
<b>Net Assets</b>	<b>5,002,282</b>

## ETF Shares—Net Assets

Applicable to 20,984,278 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,924,413
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$187.02</b>

## Admiral Shares—Net Assets

Applicable to 11,311,795 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,077,869
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$95.29</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	64,126
Interest <sup>1</sup>	6
Securities Lending—Net	473
Total Income	64,605
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	551
Management and Administrative— ETF Shares	2,116
Management and Administrative— Admiral Shares	656
Marketing and Distribution— ETF Shares	120
Marketing and Distribution— Admiral Shares	36
Custodian Fees	9
Auditing Fees	30
Shareholders' Reports—ETF Shares	138
Shareholders' Reports—Admiral Shares	8
Trustees' Fees and Expenses	1
Total Expenses	3,665
<b>Net Investment Income</b>	<b>60,940</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	106,984
Swap Contracts	1,007
<b>Realized Net Gain (Loss)</b>	<b>107,991</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	931,985
Swap Contracts	(373)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>931,612</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,100,543</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$6,000, \$0, and less than (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$136,396,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	60,940	45,709
Realized Net Gain (Loss)	107,991	56,831
Change in Unrealized Appreciation (Depreciation)	931,612	119,751
Net Increase (Decrease) in Net Assets Resulting from Operations	1,100,543	222,291
<b>Distributions</b>		
ETF Shares	(42,151)	(36,101)
Admiral Shares	(12,760)	(10,501)
Total Distributions	(54,911)	(46,602)
<b>Capital Share Transactions</b>		
ETF Shares	1,450,694	(371,010)
Admiral Shares	247,410	50,384
Net Increase (Decrease) from Capital Share Transactions	1,698,104	(320,626)
Total Increase (Decrease)	2,743,736	(144,937)
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>2,258,546</b>	<b>2,403,483</b>
<b>End of Period</b>	<b>5,002,282</b>	<b>2,258,546</b>

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$134.84</b>	<b>\$122.80</b>	<b>\$134.33</b>	<b>\$124.29</b>	<b>\$108.16</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.801	2.522	2.501	2.285	2.175
Net Realized and Unrealized Gain (Loss) on Investments	52.014	12.053	(11.541)	9.961	16.072
Total from Investment Operations	54.815	14.575	(9.040)	12.246	18.247
<b>Distributions</b>					
Dividends from Net Investment Income	(2.635)	(2.535)	(2.490)	(2.206)	(2.117)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.635)	(2.535)	(2.490)	(2.206)	(2.117)
<b>Net Asset Value, End of Period</b>	<b>\$187.02</b>	<b>\$134.84</b>	<b>\$122.80</b>	<b>\$134.33</b>	<b>\$124.29</b>
<b>Total Return</b>	<b>41.00%</b>	<b>12.12%</b>	<b>-6.73%</b>	<b>9.91%</b>	<b>17.06%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,924	\$1,676	\$1,921	\$2,749	\$1,913
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.66%	2.05%	2.04%	1.71%	1.87%
Portfolio Turnover Rate <sup>2</sup>	5%	4%	4%	5%	5%

1 Calculated based on average shares outstanding.

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

### Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$68.70</b>	<b>\$62.57</b>	<b>\$68.45</b>	<b>\$63.33</b>	<b>\$55.11</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.424	1.294	1.282	1.159	1.104
Net Realized and Unrealized Gain (Loss) on Investments	26.507	6.130	(5.892)	5.084	8.195
Total from Investment Operations	27.931	7.424	(4.610)	6.243	9.299
<b>Distributions</b>					
Dividends from Net Investment Income	(1.341)	(1.294)	(1.270)	(1.123)	(1.079)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.341)	(1.294)	(1.270)	(1.123)	(1.079)
<b>Net Asset Value, End of Period</b>	<b>\$95.29</b>	<b>\$68.70</b>	<b>\$62.57</b>	<b>\$68.45</b>	<b>\$63.33</b>
<b>Total Return<sup>2</sup></b>	<b>41.04%</b>	<b>12.14%</b>	<b>-6.74%</b>	<b>9.91%</b>	<b>17.06%</b>

#### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,078	\$583	\$482	\$452	\$372
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	1.67%	2.08%	2.04%	1.71%	1.87%
Portfolio Turnover Rate <sup>3</sup>	5%	4%	4%	5%	5%

1 Calculated based on average shares outstanding.

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

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

## Notes to Financial Statements

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

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. **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 August 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.

3. **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.

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

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

6. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, 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 alternate rate agreed to by the fund and Vanguard.

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

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

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$164,000, representing less than 0.01% of the fund's net assets and 0.07% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	4,996,532	—	—	4,996,532
Temporary Cash Investments	1,168	—	—	1,168
Total	4,997,700	—	—	4,997,700
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	—	—	—

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

	Amount (\$000)
Paid-in Capital	136,377
Total Distributable Earnings (Loss)	(136,377)

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 recognition of

unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	15,008
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(103,739)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	799,459

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	54,911	46,602
Long-Term Capital Gains	—	—
Total	54,911	46,602

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	4,198,241
Gross Unrealized Appreciation	970,233
Gross Unrealized Depreciation	(170,774)
Net Unrealized Appreciation (Depreciation)	799,459

E. During the year ended August 31, 2021, the fund purchased \$2,293,060,000 of investment securities and sold \$584,718,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,831,282,000 and \$402,167,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$5,968,000 and sales were \$5,793,000, resulting in net realized gain (loss) of (\$31,000); these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	1,856,866	11,008	449,882	3,931
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(406,172)	(2,450)	(820,892)	(7,150)
Net Increase (Decrease)—ETF Shares	1,450,694	8,558	(371,010)	(3,219)
<b>Admiral Shares</b>				
Issued	454,856	5,232	170,584	2,794
Issued in Lieu of Cash Distributions	11,777	146	9,703	159
Redeemed	(219,223)	(2,551)	(129,903)	(2,174)
Net Increase (Decrease)—Admiral Shares	247,410	2,827	50,384	779

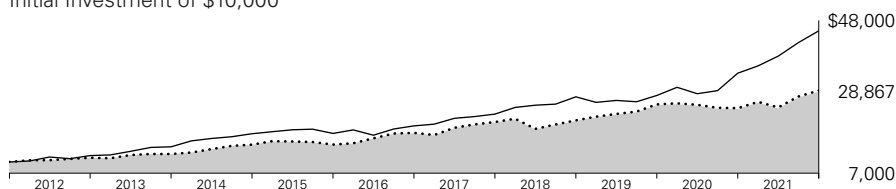
G. Management has determined that no events or transactions occurred subsequent to August 31, 2021, that would require recognition or disclosure in these financial statements.

# Utilities Index Fund

## Performance Summary

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

Cumulative Performance: August 31, 2011, Through August 31, 2021  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended August 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Year	Ten Years	
Utilities Index Fund ETF Shares Net Asset Value	19.19%	10.27%	11.18%	\$28,867
Utilities Index Fund ETF Shares Market Price	19.14	10.27	11.18	28,868
MSCI US Investable Market Utilities 25/50 Index	19.33	10.36	11.30	29,169
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	45,188

	One Year	Five Years	Ten Years	Final Value of a \$100,000 Investment
Utilities Index Fund Admiral Shares	19.22%	10.27%	11.19%	\$288,957
MSCI US Investable Market Utilities 25/50 Index	19.33	10.36	11.30	291,693
MSCI US Investable Market 2500 Index	33.59	18.08	16.28	451,882

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

	One Year	Five Years	Ten Years
Utilities Index Fund ETF Shares Market Price	19.14%	63.05%	188.68%
Utilities Index Fund ETF Shares Net Asset Value	19.19	63.03	188.67
MSCI US Investable Market Utilities 25/50 Index	19.33	63.73	191.69

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](http://vanguard.com), select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

## Fund Allocation

As of August 31, 2021

Electric Utilities	60.2%
Gas Utilities	4.4
Independent Power and Renewable Electricity Producers	3.6
Multi-Utilities	26.7
Water Utilities	5.1

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

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

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

## As of August 31, 2021

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.7%)</b>								
<b>Electric Utilities (60.1%)</b>								
NextEra Energy Inc.	11,849,934	995,276	New Jersey Resources Corp.	582,795	21,762	Black Hills Corp.	380,142	26,736
Duke Energy Corp.	4,647,249	486,381	Spire Inc.	312,212	20,824	NorthWestern Corp.	305,642	19,439
Southern Co.	6,395,700	420,389	South Jersey Industries Inc.	679,090	16,848	Avista Corp.	419,349	17,550
Exelon Corp.	5,903,530	289,391	Chesapeake Utilities Corp.	105,844	13,834	Unitil Corp.	90,646	4,496
American Electric Power Co. Inc.	3,019,285	270,437	Northwest Natural Holding Co.	185,013	9,519			<b>1,786,783</b>
Xcel Energy Inc.	3,251,597	223,547			<b>292,996</b>	<b>Water Utilities (5.0%)</b>		
Eversource Energy	2,075,026	188,267	<b>Independent Power and Renewable Electricity Producers (3.6%)</b>			American Water Works Co. Inc.	1,096,373	199,814
PPL Corp.	4,648,370	136,430	AES Corp.	4,025,085	96,079	Essential Utilities Inc.	1,409,752	69,966
Entergy Corp.	1,212,243	134,086	Vistra Corp.	2,620,954	50,034	American States Water Co.	222,835	20,548
Edison International	2,292,298	132,587	NextEra Energy Partners LP	458,490	36,647	California Water Service Group	307,220	19,524
FirstEnergy Corp.	3,285,999	127,727	Ormat Technologies Inc. (XNYS)	270,483	19,239	SJW Group	171,010	11,856
Evergy Inc.	1,385,168	94,815	* Sunnova Energy International Inc.	507,268	18,363	Middlesex Water Co.	105,342	11,525
Alliant Energy Corp.	1,511,281	91,871	Clearway Energy Inc. Class C	444,128	13,941	York Water Co.	79,335	4,091
PG&E Corp.	8,994,324	82,478	Clearway Energy Inc. Class A	225,505	6,707			<b>337,324</b>
NRG Energy Inc.	1,479,295	67,559			<b>241,010</b>	<b>Total Common Stocks (Cost \$5,825,802)</b>		<b>6,685,806</b>
Pinnacle West Capital Corp.	681,143	52,380	<b>Multi-Utilities (26.6%)</b>			<b>Temporary Cash Investments (0.0%)</b>		
OGE Energy Corp.	1,209,284	42,821	Dominion Energy Inc.	4,872,566	379,281	<b>Money Market Fund (0.0%)</b>		
IDACORP Inc.	304,974	32,129	Sempra Energy	1,833,650	242,702	<sup>1</sup> Vanguard Market Liquidity Fund, 0.068% (Cost \$1)	14	1
Hawaiian Electric Industries Inc.	659,680	28,762	Public Service Enterprise Group Inc.	3,051,553	195,116	<b>Total Investments (99.7%) (Cost \$5,825,803)</b>		<b>6,685,807</b>
Portland General Electric Co.	541,087	27,785	WEC Energy Group Inc.	1,905,718	180,052	<b>Other Assets and Liabilities – Net (0.3%)</b>		<b>21,679</b>
Avangrid Inc.	467,857	25,568	Consolidated Edison Inc.	2,071,087	156,264	<b>Net Assets (100.0%)</b>		<b>6,707,486</b>
PNM Resources Inc.	492,266	24,367	DTE Energy Co.	1,170,420	140,848	Cost is in \$000.		
ALLETE Inc.	315,546	21,274	Ameren Corp.	1,443,982	126,666	• See Note A in Notes to Financial Statements.		
MGE Energy Inc.	218,108	17,567	CMS Energy Corp.	1,748,780	112,149	* Non-income-producing security.		
Otter Tail Corp.	251,482	13,799	CenterPoint Energy Inc.	3,506,990	87,990	<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
		<b>4,027,693</b>	NiSource Inc.	2,369,615	58,411			
<b>Gas Utilities (4.4%)</b>			MDU Resources Group Inc.	1,214,882	39,083			
Atmos Energy Corp.	789,486	76,983						
UGI Corp.	1,260,890	58,392						
National Fuel Gas Co.	523,311	27,113						
Southwest Gas Holdings Inc.	350,406	24,637						
ONE Gas Inc.	321,421	23,084						

### Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Ameren Corp.	1/31/22	GSI	8,961	(0.089) <sup>1</sup>	—	(189)
Sempra Energy	8/31/22	BOANA	10,589	(0.080) <sup>2</sup>	—	—
					—	(189)

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

# Statement of Assets and Liabilities

As of August 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$5,825,802)	6,685,806
Affiliated Issuers (Cost \$1)	1
Total Investments in Securities	6,685,807
Investment in Vanguard	215
Receivables for Investment Securities Sold	11,327
Receivables for Accrued Income	28,286
Receivables for Capital Shares Issued	1,165
<b>Total Assets</b>	<b>6,726,800</b>
<b>Liabilities</b>	
Due to Custodian	6,376
Payables for Investment Securities Purchased	11,331
Payables for Capital Shares Redeemed	1,122
Payables to Vanguard	296
Unrealized Depreciation—Over-the-Counter Swap Contracts	189
<b>Total Liabilities</b>	<b>19,314</b>
<b>Net Assets</b>	<b>6,707,486</b>

At August 31, 2021, net assets consisted of:

Paid-in Capital	5,993,379
Total Distributable Earnings (Loss)	714,107
<b>Net Assets</b>	<b>6,707,486</b>

## ETF Shares—Net Assets

Applicable to 34,281,480 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,125,729
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$149.52</b>

## Admiral Shares—Net Assets

Applicable to 21,085,956 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,581,757
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$75.01</b>

## Statement of Operations

	Year Ended August 31, 2021 (\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	189,872
Interest <sup>1</sup>	8
Securities Lending—Net	4
Total Income	189,884
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	891
Management and Administrative— ETF Shares	3,443
Management and Administrative— Admiral Shares	1,105
Marketing and Distribution— ETF Shares	190
Marketing and Distribution— Admiral Shares	63
Custodian Fees	26
Auditing Fees	30
Shareholders' Reports—ETF Shares	173
Shareholders' Reports—Admiral Shares	18
Trustees' Fees and Expenses	3
Total Expenses	5,942
<b>Net Investment Income</b>	<b>183,942</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	149,271
Swap Contracts	1,935
<b>Realized Net Gain (Loss)</b>	<b>151,206</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	722,919
Swap Contracts	154
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>723,073</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,058,221</b>

<sup>1</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$8,000, \$0, and less than \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

<sup>2</sup> Includes \$180,574,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Year Ended August 31, 2021      2020 (\$000)      (\$000)	
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	183,942	174,764
Realized Net Gain (Loss)	151,206	226,378
Change in Unrealized Appreciation (Depreciation)	723,073	(672,889)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,058,221	(271,747)
<b>Distributions</b>		
ETF Shares	(135,410)	(131,064)
Admiral Shares	(42,248)	(41,364)
Total Distributions	(177,658)	(172,428)
<b>Capital Share Transactions</b>		
ETF Shares	438,772	241,730
Admiral Shares	92,887	124,351
Net Increase (Decrease) from Capital Share Transactions	531,659	366,081
Total Increase (Decrease)	1,412,222	(78,094)
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>5,295,264</b>	<b>5,373,358</b>
<b>End of Period</b>	<b>6,707,486</b>	<b>5,295,264</b>

# Financial Highlights

## ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$129.35</b>	<b>\$139.09</b>	<b>\$119.32</b>	<b>\$120.75</b>	<b>\$107.35</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	4.310	4.306	4.087	3.757	3.697
Net Realized and Unrealized Gain (Loss) on Investments	20.048	(9.802)	19.562	(1.434)	13.374
Total from Investment Operations	24.358	(5.496)	23.649	2.323	17.071
<b>Distributions</b>					
Dividends from Net Investment Income	(4.188)	(4.244)	(3.879)	(3.753)	(3.671)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(4.188)	(4.244)	(3.879)	(3.753)	(3.671)
<b>Net Asset Value, End of Period</b>	<b>\$149.52</b>	<b>\$129.35</b>	<b>\$139.09</b>	<b>\$119.32</b>	<b>\$120.75</b>
<b>Total Return</b>	<b>19.19%</b>	<b>-4.08%</b>	<b>20.17%</b>	<b>2.05%</b>	<b>16.27%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,126	\$4,014	\$4,107	\$2,809	\$2,689
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.09%	3.18%	3.22%	3.25%	3.33%
Portfolio Turnover Rate <sup>2</sup>	6%	5%	4%	4%	4%

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

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

## Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended August 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$64.89</b>	<b>\$69.78</b>	<b>\$59.86</b>	<b>\$60.58</b>	<b>\$53.86</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.166	2.163	2.038	1.883	1.863
Net Realized and Unrealized Gain (Loss) on Investments	10.055	(4.924)	9.828	(.719)	6.698
Total from Investment Operations	12.221	(2.761)	11.866	1.164	8.561
<b>Distributions</b>					
Dividends from Net Investment Income	(2.101)	(2.129)	(1.946)	(1.884)	(1.841)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.101)	(2.129)	(1.946)	(1.884)	(1.841)
<b>Net Asset Value, End of Period</b>	<b>\$75.01</b>	<b>\$64.89</b>	<b>\$69.78</b>	<b>\$59.86</b>	<b>\$60.58</b>
<b>Total Return<sup>2</sup></b>	<b>19.22%</b>	<b>-4.05%</b>	<b>20.19%</b>	<b>2.04%</b>	<b>16.24%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,582	\$1,281	\$1,266	\$868	\$845
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	3.10%	3.18%	3.22%	3.25%	3.33%
Portfolio Turnover Rate <sup>3</sup>	6%	5%	4%	4%	4%

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

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

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

## Notes to Financial Statements

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

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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **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 August 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.

3. **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.

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

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

6. **Credit Facilities and Interfund Lending Program:** The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, 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 alternate rate agreed to by the fund and Vanguard.

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

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

7. **Other:** Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At August 31, 2021, the fund had contributed to Vanguard capital in the amount of \$215,000, representing less than 0.01% of the fund's net assets and 0.09% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	6,685,806	—	—	6,685,806
Temporary Cash Investments	1	—	—	1
Total	6,685,807	—	—	6,685,807
<b>Derivative Financial Instruments</b>				
<b>Liabilities</b>				
Swap Contracts	—	189	—	189

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

	Amount (\$000)
Paid-in Capital	180,247
Total Distributable Earnings (Loss)	(180,247)

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 recognition of

unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	39,131
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(174,481)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	849,457

The tax character of distributions paid was as follows:

	Year Ended August 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	177,658	172,428
Long-Term Capital Gains	—	—
Total	177,658	172,428

\* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	5,836,350
Gross Unrealized Appreciation	1,044,367
Gross Unrealized Depreciation	(194,910)
Net Unrealized Appreciation (Depreciation)	849,457

E. During the year ended August 31, 2021, the fund purchased \$1,605,684,000 of investment securities and sold \$1,070,813,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,063,422,000 and \$717,121,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended August 31, 2021, such purchases were \$171,000 and sales were \$18,360,000, resulting in net realized gain (loss) of \$2,252,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended August 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	1,157,689	8,423	1,271,911	9,330
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(718,917)	(5,175)	(1,030,181)	(7,825)
Net Increase (Decrease)—ETF Shares	438,772	3,248	241,730	1,505
<b>Admiral Shares</b>				
Issued	472,916	6,793	569,278	8,372
Issued in Lieu of Cash Distributions	33,142	489	33,444	493
Redeemed	(413,171)	(5,940)	(478,371)	(7,268)
Net Increase (Decrease)—Admiral Shares	92,887	1,342	124,351	1,597

G. Management has determined that no events or transactions occurred subsequent to August 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 World Fund and Shareholders of Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund and Vanguard Utilities Index Fund

## Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund and Vanguard Utilities Index Fund (ten of the funds constituting Vanguard World Fund, hereafter collectively referred to as the "Funds") as of August 31, 2021, the related statements of operations for the year ended August 31, 2021, the statements of changes in net assets for each of the two years in the period ended August 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended August 31, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of August 31, 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 August 31, 2021 and each of the financial highlights for each of the five years in the period ended August 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinions

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

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

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

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
October 20, 2021

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

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**Special 2021 tax information (unaudited) for Vanguard U.S. Sector Index Funds**

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

The funds distributed qualified dividend income to shareholders during the fiscal year as follows:

Fund	(\$000)
Communication Services Index Fund	25,167
Consumer Discretionary Index Fund	38,890
Consumer Staples Index Fund	163,911
Energy Index Fund	196,797
Financials Index Fund	176,949
Health Care Index Fund	196,001
Industrials Index Fund	56,032
Information Technology Index Fund	348,921
Materials Index Fund	54,911
Utilities Index Fund	177,658

The funds distributed qualified business income to shareholders during the fiscal year as follows:

Fund	(\$000)
Communication Services Index Fund	—
Consumer Discretionary Index Fund	—
Consumer Staples Index Fund	—
Energy Index Fund	—
Financials Index Fund	4,841
Health Care Index Fund	—
Industrials Index Fund	—
Information Technology Index Fund	—
Materials Index Fund	—
Utilities Index Fund	—

For corporate shareholders, the percentage of investment income (dividend income plus short-term gains, if any) that qualifies for the dividends-received deduction is as follows:

Fund	Percentage
Communication Services Index Fund	100.0%
Consumer Discretionary Index Fund	91.9
Consumer Staples Index Fund	98.5
Energy Index Fund	92.9
Financials Index Fund	90.7
Health Care Index Fund	93.6
Industrials Index Fund	97.0
Information Technology Index Fund	100.0
Materials Index Fund	79.9
Utilities Index Fund	99.8

## Trustees Approve Advisory Arrangements

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

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

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

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

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

### **Nature, extent, and quality of services**

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

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

### **Investment performance**

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

### **Cost**

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

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

### **The benefit of economies of scale**

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

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

## Liquidity Risk Management

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

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

The board of trustees of Vanguard World Fund approved the appointment of liquidity risk management program administrators responsible for administering the Program for Vanguard Communication Services Index Fund, Vanguard Consumer Discretionary Index Fund, Vanguard Consumer Staples Index Fund, Vanguard Energy Index Fund, Vanguard Financials Index Fund, Vanguard Health Care Index Fund, Vanguard Industrials Index Fund, Vanguard Information Technology Index Fund, Vanguard Materials Index Fund, and Vanguard Utilities Index Fund, and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2020, through December 31, 2020 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the funds’ liquidity risk.

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

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

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# The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 212 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](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### 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.

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

### David A. Thomas

Born in 1956. Trustee since July 2021. Principal occupation(s) during the past five years and other experience: president of Morehouse College (2018–present). Professor of business administration, emeritus at Harvard University (2017–2018). Dean (2011–2016) and professor of management (2016–2017) at the Georgetown University McDonough School of Business. Director of DTE Energy Company (2013–present). Trustee of Common Fund (2019–present).

<sup>1</sup> 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.

**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 Bendl**

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**

<b>Matthew Benchener</b>	<b>Chris D. McIsaac</b>
<b>Joseph Brennan</b>	<b>Thomas M. Rampulla</b>
<b>Mortimer J. Buckley</b>	<b>Karin A. Risi</b>
<b>Gregory Davis</b>	<b>Anne E. Robinson</b>
<b>John James</b>	<b>Michael Rollings</b>
<b>John T. Marcante</b>	<b>Lauren Valente</b>

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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](mailto:publicinfo@sec.gov).

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