



Vanguard[®]

Annual Report | January 31, 2020

Vanguard Real Estate Index Funds

Vanguard Real Estate Index Fund

Vanguard Real Estate II Index Fund

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

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund’s annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

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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.

A Note From Our Chairman



Tim Buckley
Chairman and Chief Executive Officer

Dear Shareholder,

These are challenging times. The markets plummet one day and bounce back the next as investors process the uncertainty surrounding the coronavirus outbreak.

At Vanguard, we tell investors to “stay the course” in good times and bad. This means focusing on your investment goals, keeping a long-term perspective, being balanced across and diversified within asset classes, and limiting cost.

Vanguard investors have proven time and again that they know how to stay calm in a market downturn—an attribute that has served them well. But for those who are weathering their first bout of market volatility or could just use a friendly reminder, let me offer three points.

First, we stand by our counsel—“stay the course.”

Don’t be tempted to time the markets. It’s a losing strategy. An investment plan established during calmer times should not be abandoned in the midst of a market downturn. Although having exposure to different asset classes does not eliminate the risk of loss, we believe investors should let the potential benefits of diversification play out.

Second, whether you’re new to investing or a seasoned financial advisor, don’t feel that you need to go it alone. Our mission is to help you succeed, so reach out if we can be of help.

Our websites are constantly refreshed with our latest thinking on the markets and economy. And our experts offer practical advice on how to put this perspective to work in your portfolios.

And, finally, thank you.

Thank you for entrusting us with your financial success. It’s a tremendous responsibility that we take very seriously. No matter the market conditions, we look forward to partnering with you and helping you reach your investment goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Mortimer J. Buckley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mortimer J. Buckley
Chairman and Chief Executive Officer
March 3, 2020

Your Fund's Performance at a Glance

- For the 12 months ended January 31, 2020, Vanguard Real Estate Index Fund returned 16.59% for Investor Shares. Returns were a bit higher for Institutional, Admiral, and ETF Shares as well as for Vanguard Real Estate II Index Fund. The results were in line with those of the funds' benchmark index but more than 3 percentage points behind the broad U.S. stock market.
- The Federal Reserve reduced its target for short-term interest rates three times in 2019. Real estate investment trusts (REITs), which are particularly sensitive to rate changes, attracted investors searching for more solid sources of income in the low-rate environment.
- Specialized REITs, the funds' largest holding, contributed most to their returns. Residential, industrial, office, diversified, and health care REITs noticeably boosted results, as did real estate services. Retail REITs and hotel and resort REITs were the main detractors.
- For the ten years ended January 31, 2020, the Real Estate Index Fund posted an average annual return of 12.56% for Investor Shares, in line with its benchmark index. The Real Estate Index II Fund launched in 2017 and doesn't yet have a ten-year record.

Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2020		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	21.39%	14.33%	12.13%
Russell 2000 Index (Small-caps)	9.21	7.28	8.23
Russell 3000 Index (Broad U.S. market)	20.53	13.82	11.85
FTSE All-World ex US Index (International)	10.28	7.74	5.24
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	9.64%	4.62%	3.01%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	8.65	5.12	3.53
FTSE Three-Month U.S. Treasury Bill Index	2.18	1.68	1.07
CPI			
Consumer Price Index	2.49%	2.04%	2.00%

About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended January 31, 2020

	Beginning Account Value 7/31/2019	Ending Account Value 1/31/2020	Expenses Paid During Period
Based on Actual Fund Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,075.70	\$1.31
ETF Shares	1,000.00	1,076.11	0.63
Admiral™ Shares	1,000.00	1,076.14	0.63
Institutional Shares	1,000.00	1,075.86	0.52
Real Estate II Index Fund	\$1,000.00	\$1,076.11	\$0.42
Based on Hypothetical 5% Yearly Return			
Real Estate Index Fund			
Investor Shares	\$1,000.00	\$1,023.95	\$1.28
ETF Shares	1,000.00	1,024.60	0.61
Admiral Shares	1,000.00	1,024.60	0.61
Institutional Shares	1,000.00	1,024.70	0.51
Real Estate II Index Fund	\$1,000.00	\$1,024.80	\$0.41

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the Real Estate Index Fund, 0.25% for Investor Shares, 0.12% for ETF Shares, 0.12% for Admiral Shares, and 0.10% for Institutional Shares; and for the Real Estate II Index Fund, 0.08%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

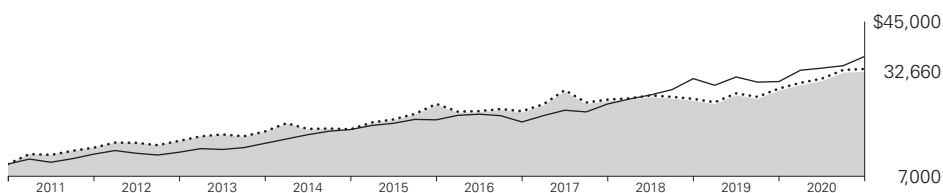
Real Estate Index Fund

Performance Summary

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

Cumulative Performance: January 31, 2010, Through January 31, 2020

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended January 31, 2020			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Investor Shares	16.59%	5.88%	12.56%	\$32,660
Real Estate Spliced Index	16.82	6.13	12.80	33,364
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.37	11.79	13.80	36,436

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

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Real Estate Index Fund ETF Shares Net Asset Value	16.70%	6.03%	12.71%	\$33,099
Real Estate Index Fund ETF Shares Market Price	16.61	6.01	12.72	33,124
Real Estate Spliced Index	16.82	6.13	12.80	33,364
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.37	11.79	13.80	36,436

See Financial Highlights for dividend and capital gains information.

Real Estate Index Fund

	Average Annual Total Returns Periods Ended January 31, 2020			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Admiral Shares	16.73%	6.03%	12.72%	\$33,119
Real Estate Spliced Index	16.82	6.13	12.80	33,364
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.37	11.79	13.80	36,436

	Average Annual Total Returns Periods Ended January 31, 2020			Final Value of a \$5,000,000 Investment
	One Year	Five Years	Ten Years	
Real Estate Index Fund Institutional Shares	16.77%	6.05%	12.74%	\$16,593,174
Real Estate Spliced Index	16.82	6.13	12.80	16,682,097
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.37	11.79	13.80	18,217,755

Cumulative Returns of ETF Shares: January 31, 2010, Through January 31, 2020

	One Year	Five Years	Ten Years
Real Estate Index Fund ETF Shares Market Price	16.61%	33.89%	231.24%
Real Estate Index Fund ETF Shares Net Asset Value	16.70	33.98	230.99
Real Estate Spliced Index	16.82	34.65	233.64

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

Sector Diversification

As of January 31, 2020

Diversified Real Estate Activities	0.2%
Diversified REITs	4.9
Health Care REITs	9.8
Hotel & Resort REITs	3.7
Industrial REITs	8.6
Office REITs	9.5
Real Estate Development	0.4
Real Estate Operating Companies	0.2
Real Estate Services	2.9
Residential REITs	15.0
Retail REITs	11.3
Specialized REITs	33.5

The table reflects the fund's equity exposure, based on its investments in stocks and stock index futures. Any holdings in short-term reserves are excluded. 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 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

Statement of Net Assets

As of January 31, 2020

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (96.4%)¹					
Diversified REITs (4.4%)					
WP Carey Inc.	8,396,869	706,344	Sabra Health Care REIT Inc.	9,319,268	200,364
Liberty Property Trust	7,690,817	481,830	National Health Investors Inc.	2,132,039	179,901
VEREIT Inc.	47,491,709	463,519	Physicians Realty Trust	9,112,120	176,320
STORE Capital Corp.	10,788,044	423,431	CareTrust REIT Inc.	4,696,506	104,168
PS Business Parks Inc.	1,011,572	169,499	Diversified Healthcare Trust	11,694,167	90,279
Washington REIT	3,936,264	119,820	LTC Properties Inc.	1,954,178	90,205
American Assets Trust Inc.	2,494,598	113,654	Universal Health Realty Income Trust	642,248	79,221
Colony Capital Inc.	22,736,642	106,180	Community Healthcare Trust Inc.	907,172	42,791
Essential Properties Realty Trust Inc.	3,750,730	103,558	New Senior Investment Group Inc.	4,082,909	31,112
Empire State Realty Trust Inc.	7,432,377	100,783	Global Medical REIT Inc.	2,001,972	29,229
Global Net Lease Inc.	4,152,743	86,086			6,201,922
Alexander & Baldwin Inc.	3,373,369	73,742	Hotel & Resort REITs (3.3%)		
Armada Hoffler Properties Inc.	2,606,873	47,810	² Host Hotels & Resorts Inc.	35,887,078	586,395
iStar Inc.	3,057,834	44,522	Park Hotels & Resorts Inc.	11,787,567	258,619
Gladstone Commercial Corp.	1,526,251	32,540	Ryman Hospitality Properties Inc.	2,402,643	204,297
One Liberty Properties Inc.	732,234	20,019	MGM Growth Properties LLC	5,594,172	178,678
^{§.1,2} Winthrop Realty Trust	1,892,511	—	Service Properties Trust	8,087,091	174,519
		3,093,337	Apple Hospitality REIT Inc.	10,454,218	157,022
Health Care REITs (8.7%)			Pebblebrook Hotel Trust	6,421,319	152,314
Welltower Inc.	19,923,625	1,691,715	Sunstone Hotel Investors Inc.	11,054,466	140,171
Ventas Inc.	18,318,016	1,059,880	RLJ Lodging Trust	8,462,772	131,681
Healthpeak Properties Inc.	24,145,203	868,986	Xenia Hotels & Resorts Inc.	5,537,181	103,490
Medical Properties Trust Inc.	25,071,978	555,344	DiamondRock Hospitality Co.	9,843,048	95,182
[^] Omega Healthcare Investors Inc.	10,731,271	450,177	Summit Hotel Properties Inc.	5,171,452	57,351
Healthcare Trust of America Inc.	10,087,688	323,109	Chatham Lodging Trust	2,304,535	37,679
Healthcare Realty Trust Inc.	6,353,875	229,121	Hersha Hospitality Trust Class A	1,836,015	23,813

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
CorePoint Lodging Inc.	1,986,855	18,180	Mack-Cali Realty Corp.	4,451,557	97,756
Ashford Hospitality Trust Inc.	4,764,644	11,721	Easterly Government Properties Inc.	3,501,335	84,767
Braemar Hotels & Resorts Inc.	1,376,279	10,983	Office Properties Income Trust	2,364,599	80,467
		<u>2,342,095</u>	Franklin Street Properties Corp.	5,268,341	40,039
Industrial REITs (7.6%)			City Office REIT Inc.	2,681,237	36,250
Prologis Inc.	31,029,133	2,881,986	⁵ New York REIT Liquidating LLC	1,208	16
Duke Realty Corp.	17,770,014	645,229			<u>5,984,246</u>
Americold Realty Trust	8,944,275	308,309	Other (11.0%)³		
First Industrial Realty Trust Inc.	6,217,404	265,483	^{4,5} Vanguard Real Estate II Index Fund	346,574,081	7,847,621
Rexford Industrial Realty Inc.	5,394,998	259,985			
EastGroup Properties Inc.	1,846,398	251,239	Residential REITs (13.3%)		
STAG Industrial Inc.	6,249,799	201,494	Equity Residential	18,232,144	1,514,727
Terreno Realty Corp.	3,222,593	184,526	AvalonBay Communities Inc.	6,866,058	1,487,806
Lexington Realty Trust Class B	10,387,528	114,990	Essex Property Trust Inc.	3,231,440	1,000,971
Hannon Armstrong Sustainable Infrastructure Capital Inc.	3,228,363	110,055	Invitation Homes Inc.	26,435,080	831,912
Industrial Logistics Properties Trust	3,199,430	73,235	Mid-America Apartment Communities Inc.	5,606,759	769,303
[^] Innovative Industrial Properties Inc.	815,274	72,967	Sun Communities Inc.	4,457,735	722,911
Monmouth Real Estate Investment Corp.	4,458,462	65,227	UDR Inc.	14,397,229	689,771
		<u>5,434,725</u>	Equity LifeStyle Properties Inc.	8,504,105	618,674
Office REITs (8.4%)			Camden Property Trust Apartment Investment & Management Co.	4,760,679	535,243
Boston Properties Inc.	7,599,362	1,089,369	American Homes 4 Rent	7,318,976	385,783
Alexandria Real Estate Equities Inc.	5,576,140	910,026	American Campus Communities Inc.	6,756,262	309,910
Vornado Realty Trust	8,443,345	555,319	Independence Realty Trust Inc.	4,433,719	65,043
Kilroy Realty Corp.	4,964,327	409,905	NexPoint Residential Trust Inc.	940,589	45,901
SL Green Realty Corp.	4,052,234	372,968	Investors Real Estate Trust	570,721	42,062
Douglas Emmett Inc.	8,184,615	339,662	UMH Properties Inc.	1,786,776	28,231
Cousins Properties Inc.	7,145,693	292,473	Front Yard Residential Corp.	2,511,323	26,946
Hudson Pacific Properties Inc.	7,590,140	275,826	Preferred Apartment Communities Inc.	2,183,851	25,726
Highwoods Properties Inc.	5,099,509	255,536			<u>9,463,521</u>
JBG SMITH Properties	6,263,717	253,994	Retail REITs (10.0%)		
Equity Commonwealth Corporate Office Properties Trust	5,995,435	196,590	Simon Property Group Inc.	15,143,494	2,016,356
Piedmont Office Realty Trust Inc.	5,503,451	163,838	Realty Income Corp.	15,645,528	1,226,766
Brandywine Realty Trust	6,184,088	143,409	Regency Centers Corp.	7,818,290	485,047
Trust	8,663,015	135,316	National Retail Properties Inc.	8,038,349	450,148
Paramount Group Inc.	9,205,345	129,427			
Columbia Property Trust Inc.	5,748,488	121,293			

Real Estate Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Federal Realty			Gaming and Leisure		
Investment Trust	3,425,464	428,251	Properties Inc.	10,027,548	473,852
Kimco Realty Corp.	20,753,165	395,348	Iron Mountain Inc.	14,115,925	446,204
Brixmor Property			Lamar Advertising Co.	4,226,119	392,226
Group Inc.	14,645,681	292,328	CyrusOne Inc.	5,565,209	338,643
Spirit Realty Capital Inc.	4,429,808	233,805	CUBESMART	9,463,079	299,696
Weingarten Realty			EPR Properties	3,812,764	272,117
Investors	6,010,466	174,905	Life Storage Inc.	2,293,211	259,546
Agree Realty Corp.	2,063,532	156,684	CoreSite Realty Corp.	1,813,609	213,008
Retail Properties of			Outfront Media Inc.	7,046,974	209,577
America Inc.	10,503,617	127,619	Rayonier Inc.	6,372,943	193,610
^ Macerich Co.	5,555,588	123,945	QTS Realty Trust Inc.	2,719,248	154,671
Urban Edge Properties	5,954,974	109,512	PotlatchDeltic Corp.	3,303,958	142,070
Acadia Realty Trust	4,151,250	103,034	Four Corners Property		
SITE Centers Corp.	7,101,747	90,263	Trust Inc.	3,362,599	101,853
Retail Opportunity			National Storage		
Investments Corp.	5,090,196	84,345	Affiliates Trust	2,914,477	99,530
Taubman Centers Inc.	3,010,815	79,546	GEO Group Inc.	5,962,460	94,207
Kite Realty Group Trust	4,129,613	71,029	CoreCivic Inc.	5,854,253	93,375
^ American Finance Trust			^ Uniti Group Inc.	9,496,104	60,110
Inc.	5,225,102	67,770	CorEnergy		
^ Tanger Factory Outlet			Infrastructure Trust Inc.	665,562	30,350
Centers Inc.	4,598,167	67,271	CatchMark Timber		
RPT Realty	3,947,000	55,061	Trust Inc.	2,407,704	24,703
Getty Realty Corp.	1,718,852	54,178	^ Safehold Inc.	497,860	22,384
^ Seritage Growth			Jernigan Capital Inc.	1,090,687	21,803
Properties	1,420,676	52,167			
Alexander's Inc.	112,933	36,441			21,143,207
Saul Centers Inc.	679,162	33,537	Total Equity Real Estate Investment		
Urstadt Biddle			Trusts (REITs) (Cost \$56,490,070)		68,663,572
Properties Inc. Class A	1,469,778	33,320	Real Estate Management & Development (3.3%)¹		
^ Washington Prime			Diversified Real Estate Activities (0.2%)		
Group Inc.	9,171,898	27,607	* St. Joe Co.	1,774,598	37,284
Retail Value Inc.	783,684	25,760	RMR Group Inc.	750,135	34,559
Whitestone REIT	1,776,868	23,277	* Five Point Holdings LLC	2,535,556	20,563
^ Pennsylvania REIT	3,616,615	14,249	* Tejon Ranch Co.	1,083,413	17,443
Cedar Realty Trust Inc.	4,374,363	11,373			109,849
§ Spirit MTA REIT	2,071,263	1,590	Real Estate Development (0.4%)		
Urstadt Biddle			* Howard Hughes Corp.	2,014,856	245,168
Properties Inc.	20,899	366	* Forestar Group Inc.	810,918	16,437
		7,152,898			261,605
Specialized REITs (29.7%)			Real Estate Operating Companies (0.2%)		
American Tower Corp.	21,764,202	5,043,636	Kennedy-Wilson		
Crown Castle			Holdings Inc.	6,308,380	136,009
International Corp.	20,440,318	3,062,777	* FRP Holdings Inc.	338,898	16,043
Equinix Inc.	4,170,071	2,459,216			152,052
Public Storage	7,725,412	1,728,638	Real Estate Services (2.5%)		
SBA Communications			* CBRE Group Inc.	15,709,840	959,086
Corp.	5,560,758	1,387,743	Jones Lang LaSalle Inc.	2,533,397	430,222
^ Digital Realty Trust Inc.	10,009,156	1,231,026	Cushman & Wakefield		
Weyerhaeuser Co.	36,625,089	1,060,296	plc	4,800,530	92,266
Extra Space Storage			^,^ Redfin Corp.	3,611,601	87,870
Inc.	6,318,295	699,309	Newmark Group Inc.	7,301,467	85,938
VICI Properties Inc.	19,665,350	527,031			

Real Estate Index Fund

	Shares	Market Value* (\$000)	Amount (\$000)
^ Realty Holdings Corp.	5,619,905	59,515	
* Marcus & Millichap Inc.	1,152,522	40,799	
RE/MAX Holdings Inc.	876,557	33,555	
^ eXp World Holdings Inc.	1,072,458	11,840	
*^ Altisource Portfolio Solutions SA	318,938	5,932	
		1,807,023	
Total Real Estate Management & Development (Cost \$2,210,826)		2,330,529	
Temporary Cash Investment (0.8%)¹			
Money Market Fund (0.8%)			
^{6,7} Vanguard Market Liquidity Fund, 1.730% (Cost \$561,225)	5,611,811	561,293	
Total Investments (100.5%) (Cost \$59,262,121)		71,555,394	
Other Assets and Liabilities (-0.5%)			
Other Assets		77,402	
Liabilities ⁷		(406,517)	
		(329,115)	
Net Assets (100%)		71,226,279	

Statement of Assets and Liabilities

	Amount (\$000)
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers	62,560,085
Affiliated Issuers	1,147,688
Vanguard Real Estate II Index Fund	7,847,621
Total Investments in Securities	71,555,394
Investment in Vanguard	2,738
Receivables for Accrued Income	37,704
Receivables for Capital Shares Issued	34,134
Other Assets	2,826
Total Assets	71,632,796
Liabilities	
Payables for Investment Securities	
Purchased	11,509
Collateral for Securities on Loan	335,671
Payables for Capital Shares Redeemed	26,934
Payables to Vanguard	17,817
Unrealized Depreciation—	
OTC Swap Contracts	1,451
Other Liabilities	13,135
Total Liabilities	406,517
Net Assets (100%)	71,226,279

Real Estate Index Fund

At January 31, 2020, net assets consisted of:

	Amount (\$000)
Paid-in Capital	60,358,012
Total Distributable Earnings (Loss)	10,868,267
Net Assets	71,226,279

Investor Shares—Net Assets

Applicable to 7,793,923 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	243,222
Net Asset Value Per Share— Investor Shares	\$31.21

ETF Shares—Net Assets

Applicable to 401,174,872 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	37,681,748
Net Asset Value Per Share— ETF Shares	\$93.93

Admiral Shares—Net Assets

Applicable to 174,831,681 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	23,274,094
Net Asset Value Per Share— Admiral Shares	\$133.12

Amount
(\$000)

Institutional Shares—Net Assets

Applicable to 486,657,445 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	10,027,215
Net Asset Value Per Share— Institutional Shares	\$20.60

• See Note A in Notes to Financial Statements.

§ Security value determined using significant unobservable inputs.

* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$308,329,000.

1 The fund invests a portion of its assets in investment securities through the use of swap contracts. After giving effect to swap investments, the fund's effective investment securities and temporary cash investment positions represent 100.0% and 0.5%, respectively, of net assets.

2 Considered an affiliated company of the fund as the fund owns more than 5% of the outstanding voting securities of such company. The total value of affiliated companies is \$586,395,000.

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

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

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

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

7 Collateral of \$335,671,000 was received for securities on loan. REIT—Real Estate Investment Trust.

OTC—Over-the-Counter.

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
Digital Realty Trust Inc.	2/2/21	GSI	29,423	(1.655)	—	(644)
Federal Realty Investment Trust	2/2/21	GSI	32,614	(1.655)	—	(109)
Regency Centers Corp.	2/2/21	GSI	26,204	(1.655)	—	(147)
Retail Opportunity Investments Corp.	2/2/21	GSI	8,819	(1.655)	—	(37)
Seritage Growth Properties	2/2/21	GSI	11,352	(1.655)	—	(336)
VEREIT Inc.	2/2/21	GSI	43,032	(1.655)	—	(88)
VICI Properties Inc.	2/2/21	GSI	80,490	(1.655)	—	(90)
					—	(1,451)

¹ Payment received/paid monthly.

GSI—Goldman Sachs International.

At January 31, 2020, a counterparty had deposited in a segregated account securities with a value of \$3,153,000 in connection with open over-the-counter swap contracts.

Statement of Operations

Year Ended
January 31, 2020

(\$000)

Investment Income	
Income	
Dividends—Unaffiliated Issuers	1,541,260
Dividends—Affiliated Issuers	51,302
Dividends—Vanguard Real Estate II Index Fund	199,690
Interest—Unaffiliated Issuers	4
Interest—Affiliated Issuers	5,704
Securities Lending—Net	4,165
Total Income	1,802,125
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	4,147
Management and Administrative—Investor Shares	2,296
Management and Administrative—ETF Shares	35,158
Management and Administrative—Admiral Shares	21,415
Management and Administrative—Institutional Shares	7,776
Marketing and Distribution—Investor Shares	85
Marketing and Distribution—ETF Shares	1,802
Marketing and Distribution—Admiral Shares	1,126
Marketing and Distribution—Institutional Shares	317
Custodian Fees	107
Auditing Fees	38
Shareholders' Reports—Investor Shares	13
Shareholders' Reports—ETF Shares	1,190
Shareholders' Reports—Admiral Shares	292
Shareholders' Reports—Institutional Shares	77
Trustees' Fees and Expenses	29
Total Expenses	75,868
Expenses Paid Indirectly	(134)
Net Expenses	75,734
Net Investment Income	1,726,391
Realized Net Gain (Loss)	
Capital Gain Distributions Received—Unaffiliated Issuers	283,714
Capital Gain Distributions Received—Affiliated Issuers	2,665
Capital Gain Distributions Received—Vanguard Real Estate II Index Fund	—
Investment Securities Sold—Unaffiliated Issuers ¹	2,130,323
Investment Securities Sold—Affiliated Issuers ¹	14,533
Investment Securities Sold—Vanguard Real Estate II Index Fund	—

Real Estate Index Fund

Statement of Operations (continued)

	Year Ended January 31, 2020
	(\$000)
Futures Contracts	340
Swap Contracts	26,816
Realized Net Gain (Loss)	2,458,391
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers	5,005,277
Investment Securities—Affiliated Issuers	(20,621)
Investment Securities—Vanguard Real Estate II Index Fund	928,467
Swap Contracts	(1,451)
Change in Unrealized Appreciation (Depreciation)	5,911,672
Net Increase (Decrease) in Net Assets Resulting from Operations	10,096,454

¹ Includes \$2,366,459,000 of net gain (loss) resulting from in-kind redemptions; such gain (loss) is not taxable to the fund.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2020	2019
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,726,391	1,817,544
Realized Net Gain (Loss)	2,458,391	924,880
Change in Unrealized Appreciation (Depreciation)	5,911,672	2,345,988
Net Increase (Decrease) in Net Assets Resulting from Operations	10,096,454	5,088,412
Distributions		
Net Investment Income		
Investor Shares	(22,650)	(62,454)
ETF Shares	(921,879)	(1,028,975)
Admiral Shares	(554,006)	(579,344)
Institutional Shares	(244,373)	(269,632)
Realized Capital Gain		
Investor Shares	—	—
ETF Shares	—	—
Admiral Shares	—	—
Institutional Shares	—	—
Return of Capital		
Investor Shares	(7,475)	(20,882)
ETF Shares	(304,249)	(344,053)
Admiral Shares	(182,839)	(193,713)
Institutional Shares	(80,651)	(90,156)
Total Distributions	(2,318,122)	(2,589,209)
Capital Share Transactions		
Investor Shares	(1,748,144)	(355,274)
ETF Shares	2,721,882	(2,701,593)
Admiral Shares	2,583,346	(367,595)
Institutional Shares	734,197	(371,447)
Net Increase (Decrease) from Capital Share Transactions	4,291,281	(3,795,909)
Total Increase (Decrease)	12,069,613	(1,296,706)
Net Assets		
Beginning of Period	59,156,666	60,453,372
End of Period	71,226,279	59,156,666

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

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$27.69	\$26.40	\$27.38	\$25.59	\$28.73
Investment Operations					
Net Investment Income	.719 ¹	.787 ¹	.761 ¹	.746	.711
Net Realized and Unrealized Gain (Loss) on Investments	3.801	1.639	(.614)	2.324	(2.851)
Total from Investment Operations	4.520	2.426	.147	3.070	(2.140)
Distributions					
Dividends from Net Investment Income	(.752)	(.851)	(.788)	(.752)	(.695)
Distributions from Realized Capital Gains	—	—	(.011)	(.187)	—
Return of Capital	(.248)	(.285)	(.328)	(.341)	(.305)
Total Distributions	(1.000)	(1.136)	(1.127)	(1.280)	(1.000)
Net Asset Value, End of Period	\$31.21	\$27.69	\$26.40	\$27.38	\$25.59
Total Return²	16.59%	9.53%	0.45%	12.07%	-7.44%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$243	\$1,871	\$2,143	\$2,603	\$2,621
Ratio of Total Expenses to Average Net Assets	0.26%	0.25%	0.26%	0.26%	0.26%
Ratio of Net Investment Income to Average Net Assets	2.48%	3.02%	2.87%	2.60%	2.66%
Portfolio Turnover Rate ³	6%	24%	6%	7%	11%

1 Calculated based on average shares outstanding.

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

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

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$83.36	\$79.47	\$82.43	\$77.05	\$86.49
Investment Operations					
Net Investment Income	2.335 ¹	2.487 ¹	2.499 ¹	2.334	2.217
Net Realized and Unrealized Gain (Loss) on Investments	11.379	4.934	(1.945)	7.022	(8.533)
Total from Investment Operations	13.714	7.421	.554	9.356	(6.316)
Distributions					
Dividends from Net Investment Income	(2.364)	(2.646)	(2.458)	(2.353)	(2.170)
Distributions from Realized Capital Gains	—	—	(.034)	(.563)	—
Return of Capital	(.780)	(.885)	(1.022)	(1.060)	(.954)
Total Distributions	(3.144)	(3.531)	(3.514)	(3.976)	(3.124)
Net Asset Value, End of Period	\$93.93	\$83.36	\$79.47	\$82.43	\$77.05
Total Return	16.70%	9.70%	0.59%	12.25%	-7.31%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$37,682	\$30,857	\$32,377	\$33,527	\$27,007
Ratio of Total Expenses to Average Net Assets	0.12%	0.12%	0.12%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	2.60%	3.15%	3.01%	2.74%	2.80%
Portfolio Turnover Rate ²	6%	24%	6%	7%	11%

¹ Calculated based on average shares outstanding.

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

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$118.14	\$112.63	\$116.83	\$109.19	\$122.58
Investment Operations					
Net Investment Income	3.315 ¹	3.507 ¹	3.538 ¹	3.306	3.142
Net Realized and Unrealized Gain (Loss) on Investments	16.121	7.008	(2.761)	9.966	(12.105)
Total from Investment Operations	19.436	10.515	.777	13.272	(8.963)
Distributions					
Dividends from Net Investment Income	(3.350)	(3.751)	(3.483)	(3.333)	(3.076)
Distributions from Realized Capital Gains	—	—	(.048)	(.798)	—
Return of Capital	(1.106)	(1.254)	(1.447)	(1.501)	(1.351)
Total Distributions	(4.456)	(5.005)	(4.978)	(5.632)	(4.427)
Net Asset Value, End of Period	\$133.12	\$118.14	\$112.63	\$116.83	\$109.19
Total Return²	16.73%	9.69%	0.58%	12.23%	-7.30%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$23,274	\$18,223	\$17,757	\$18,337	\$15,029
Ratio of Total Expenses to Average Net Assets	0.12%	0.11%	0.12%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	2.60%	3.16%	3.01%	2.74%	2.80%
Portfolio Turnover Rate ³	6%	24%	6%	7%	11%

1 Calculated based on average shares outstanding.

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

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

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$18.28	\$17.43	\$18.08	\$16.90	\$18.97
Investment Operations					
Net Investment Income	.518 ¹	.543 ¹	.568 ¹	.515	.489
Net Realized and Unrealized Gain (Loss) on Investments	2.496	1.085	(.444)	1.540	(1.870)
Total from Investment Operations	3.014	1.628	.124	2.055	(1.381)
Distributions					
Dividends from Net Investment Income	(.522)	(.583)	(.542)	(.519)	(.479)
Distributions from Realized Capital Gains	—	—	(.007)	(.123)	—
Return of Capital	(.172)	(.195)	(.225)	(.233)	(.210)
Total Distributions	(.694)	(.778)	(.774)	(.875)	(.689)
Net Asset Value, End of Period	\$20.60	\$18.28	\$17.43	\$18.08	\$16.90
Total Return	16.77%	9.70%	0.60%	12.23%	-7.27%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$10,027	\$8,206	\$8,176	\$7,799	\$6,785
Ratio of Total Expenses to Average Net Assets	0.10%	0.09%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.63%	3.18%	3.03%	2.76%	2.82%
Portfolio Turnover Rate ²	6%	24%	6%	7%	11%

¹ Calculated based on average shares outstanding.

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

Notes to Financial Statements

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

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

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

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

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 futures gains (losses).

During the year ended January 31, 2020, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at January 31, 2020.

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.

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 Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until termination of the swap, at which time realized gain (loss) is recorded.

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 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 Statement of Net Assets. 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.

During the year ended January 31, 2020, 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. Management has analyzed the fund's tax positions taken for all open federal income tax years (January 31, 2017–2020), and has concluded that no provision for federal income tax is required in the fund's financial statements.

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. The portion of distributions that exceeds a fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Distributions are determined on a tax basis 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. 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 Facility: 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 that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at January 31, 2020, or at any time during the period then ended.

8. Other: Distributions received from investment securities are recorded on the ex-dividend date. Each investment security reports annually the tax character of its distributions. Dividend income, capital gain distributions received, and unrealized appreciation (depreciation) reflect the amounts of taxable income, capital gain, and return of capital reported by the investment securities, and management's estimates of such amounts for investment security distributions for which actual information has not been reported. Income, capital gain, and return of capital distributions received from affiliated Vanguard funds are recorded on ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. 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. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund's liability for these costs of operations is included in Payables to Vanguard on the Statement of Assets and Liabilities. All other costs of operations payable to Vanguard are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2020, the fund had contributed to Vanguard capital in the amount of \$2,738,000, representing less than 0.01% of the fund's net assets and 1.10% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing account. For the year ended January 31, 2020, custodian fee offset arrangements reduced the fund's expenses by \$134,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments. 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 Statement of Net Assets.

The following table summarizes the market value of the fund's investments and derivatives as of January 31, 2020, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	70,992,495	—	1,606
Temporary Cash Investments	561,293	—	—
Swap Contracts—Liabilities	—	(1,451)	—
Total	71,553,788	(1,451)	1,606

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

	Amount (\$000)
Paid-in Capital	2,366,459
Total Distributable Earnings (Loss)	(2,366,459)

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 tax deferral of losses on wash sales and the realization of unrealized gains or losses on certain swap agreements. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	—
Undistributed Tax-Exempt Income	—
Undistributed Long-Term Gains	—
Capital Loss Carryforwards (Non-expiring)*	(1,509,620)
Net Unrealized Gains (Losses)	12,293,273

* The fund used capital loss carryforwards of \$40,084,000 to offset taxable capital gains realized during the year ended January 31, 2020.

As of January 31, 2020, 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	59,262,121
Gross Unrealized Appreciation	15,718,650
Gross Unrealized Depreciation	(3,425,377)
Net Unrealized Appreciation (Depreciation)	12,293,273

F. During the year ended January 31, 2020, the fund purchased \$16,033,654,000 of investment securities and sold \$11,579,557,000 of investment securities, other than temporary cash investments. Purchases and sales include \$10,268,399,000 and \$7,738,448,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

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

	Year Ended January 31,			
	2020		2019	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	395,906	13,631	202,254	7,803
Issued in Lieu of Cash Distributions	28,280	981	77,560	2,978
Redeemed ¹	(2,172,330)	(74,391)	(635,088)	(24,392)
Net Increase (Decrease)—Investor Shares	(1,748,144)	(59,779)	(355,274)	(13,611)
ETF Shares				
Issued	10,501,566	118,494	8,087,624	102,051
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(7,779,684)	(87,500)	(10,789,217)	(139,300)
Net Increase (Decrease)—ETF Shares	2,721,882	30,994	(2,701,593)	(37,249)
Admiral Shares				
Issued ¹	5,327,904	42,120	2,761,716	24,919
Issued in Lieu of Cash Distributions	647,759	5,156	680,270	6,116
Redeemed	(3,392,317)	(26,697)	(3,809,581)	(34,442)
Net Increase (Decrease)—Admiral Shares	2,583,346	20,579	(367,595)	(3,407)
Institutional Shares				
Issued	2,004,257	102,367	1,757,587	102,091
Issued in Lieu of Cash Distributions	306,680	15,790	338,704	19,682
Redeemed	(1,576,740)	(80,293)	(2,467,738)	(142,026)
Net Increase (Decrease)—Institutional Shares	734,197	37,864	(371,447)	(20,253)

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

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

	Current Period Transactions							Jan. 31, 2020 Market Value (\$000)
	Jan. 31, 2019 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold ¹ (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Brookfield Property REIT Inc.	137,387	1,249	149,263	(7,667)	21,133	—	—	—
Host Hotels & Resorts Inc.	NA ²	152,118	140,437	3,615	(66,162)	29,894	616	586,395
iStar Inc.	NA ³	7,960	10,326	497	15,443	64	1,214	NA ³
Omega Healthcare Investors Inc.	NA ³	203,469	75,247	18,019	10,368	21,344	835	NA ³
Vanguard Market Liquidity Fund	801,441	NA ⁴	NA ⁴	69	52	5,704	—	561,293
Vanguard Real Estate II Index Fund	6,719,464	265,125	—	—	928,467	199,690	—	7,847,621
Winthrop Realty Trust	2,061	—	—	—	(1,455)	—	—	—
Total	7,660,353	629,921	375,273	14,533	907,846	256,696	2,665	8,995,309

1 Does not include adjustments to related return of capital.

2 Not applicable—at January 31, 2019, the issuer was not an affiliated company of the fund.

3 Not applicable—at January 31, 2019, and January 31, 2020, the issuer was not an affiliated company of the fund, but it was affiliated during the year.

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

I. Management has determined that no events or transactions occurred subsequent to January 31, 2020, that would require recognition or disclosure in these financial statements.

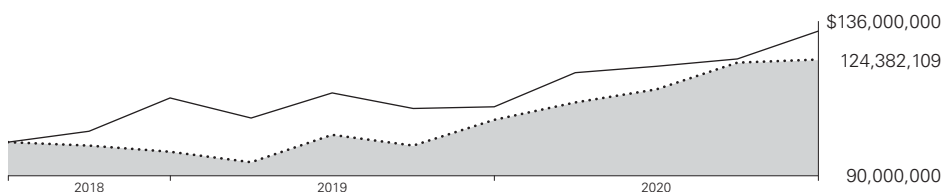
Real Estate II Index Fund

Performance Summary

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

Cumulative Performance: September 26, 2017, Through January 31, 2020

Initial Investment of \$100,000,000



	Average Annual Total Returns Periods Ended January 31, 2020		Final Value of a \$100,000,000 Investment
	One Year	Since Inception (9/26/2017)	
Real Estate II Index Fund	16.78%	9.74%	\$124,382,109
Real Estate Spliced Index	16.82	9.81	124,572,985
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.37	12.93	133,035,562

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

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

See Financial Highlights for dividend and capital gains information.

Sector Diversification

As of January 31, 2020

Diversified Real Estate Activities	0.2%
Diversified REITs	4.6
Health Care REITs	9.8
Hotel & Resort REITs	3.7
Industrial REITs	8.6
Office REITs	9.5
Real Estate Development	0.4
Real Estate Operating Companies	0.2
Real Estate Services	2.9
Residential REITs	15.0
Retail REITs	11.4
Specialized REITs	33.7

The table reflects the fund's equity exposure, based on its investments in stocks and stock index futures. Any holdings in short-term reserves are excluded. 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 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

Statement of Net Assets

As of January 31, 2020

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Equity Real Estate Investment Trusts (REITs) (95.9%)¹					
Diversified REITs (4.6%)					
WP Carey Inc.	1,039,250	87,422	National Health Investors Inc.	263,913	22,269
Liberty Property Trust	951,956	59,640	Physicians Realty Trust	1,127,576	21,819
STORE Capital Corp.	1,335,436	52,416	CareTrust REIT Inc.	581,375	12,895
VEREIT Inc.	3,372,558	32,916	Diversified Healthcare Trust	1,449,773	11,192
PS Business Parks Inc.	125,241	20,985	LTC Properties Inc.	241,711	11,157
Washington REIT	487,923	14,852	Universal Health Realty Income Trust	79,428	9,797
American Assets Trust Inc.	308,856	14,072	Community Healthcare Trust Inc.	112,174	5,291
Colony Capital Inc.	2,819,083	13,165	New Senior Investment Group Inc.	505,706	3,853
Essential Properties Realty Trust Inc.	464,351	12,821	Global Medical REIT Inc.	248,538	3,629
Empire State Realty Trust Inc.	920,792	12,486			767,692
Global Net Lease Inc.	515,635	10,689	Hotel & Resort REITs (3.7%)		
Alexander & Baldwin Inc.	417,544	9,128	Host Hotels & Resorts Inc.	4,442,420	72,589
Armada Hoffer Properties Inc.	323,727	5,937	Park Hotels & Resorts Inc.	1,460,177	32,036
iStar Inc.	378,171	5,506	Ryman Hospitality Properties Inc.	297,395	25,287
Gladstone Commercial Corp.	188,378	4,016	MGM Growth Properties LLC	692,710	22,125
One Liberty Properties Inc.	90,548	2,476	Service Properties Trust	1,000,632	21,594
		358,527	Apple Hospitality REIT Inc.	1,293,947	19,435
Health Care REITs (9.8%)			Pebblebrook Hotel Trust	794,503	18,846
Welltower Inc.	2,466,385	209,421	Sunstone Hotel Investors Inc.	1,367,608	17,341
Ventas Inc.	2,267,555	131,201	RLJ Lodging Trust	1,047,702	16,302
Healthpeak Properties Inc.	2,988,885	107,570	Xenia Hotels & Resorts Inc.	685,474	12,812
Medical Properties Trust Inc.	3,103,093	68,734	DiamondRock Hospitality Co.	1,219,324	11,791
Omega Healthcare Investors Inc.	1,328,425	55,727	Summit Hotel Properties Inc.	639,604	7,093
Healthcare Trust of America Inc.	1,248,503	39,990	Chatham Lodging Trust	285,002	4,660
Healthcare Realty Trust Inc.	786,337	28,355	Hersha Hospitality Trust Class A	225,730	2,928
Sabra Health Care REIT Inc.	1,153,097	24,792	CorePoint Lodging Inc.	244,420	2,236

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Ashford Hospitality Trust Inc.	587,373	1,445	Easterly Government Properties Inc.	434,339	10,515
Braemar Hotels & Resorts Inc.	169,658	1,354	Office Properties Income Trust	292,668	9,959
		289,874	Franklin Street Properties Corp.	653,021	4,963
Industrial REITs (8.6%)			City Office REIT Inc.	331,630	4,484
Prologis Inc.	3,841,171	356,768			740,889
Duke Realty Corp.	2,199,732	79,872	Residential REITs (14.9%)		
Americold Realty Trust	1,108,140	38,198	Equity Residential	2,256,977	187,510
First Industrial Realty Trust Inc.	769,931	32,876	AvalonBay Communities Inc.	849,945	184,174
Rexford Industrial Realty Inc.	668,005	32,191	Essex Property Trust Inc.	400,019	123,910
EastGroup Properties Inc.	228,584	31,104	Invitation Homes Inc.	3,272,589	102,988
STAG Industrial Inc.	773,655	24,943	Mid-America Apartment Communities Inc.	694,096	95,237
Terreno Realty Corp.	398,935	22,843	Sun Communities Inc.	551,857	89,495
Lexington Realty Trust Class B	1,288,193	14,260	UDR Inc.	1,782,108	85,381
Hannon Armstrong Sustainable Infrastructure Capital Inc.	400,335	13,647	Equity LifeStyle Properties Inc.	1,052,748	76,587
Industrial Logistics Properties Trust	396,036	9,065	Camden Property Trust	589,260	66,250
^ Innovative Industrial Properties Inc.	100,949	9,035	Apartment Investment & Management Co.	906,158	47,764
Monmouth Real Estate Investment Corp.	553,989	8,105	American Homes 4 Rent	1,642,722	44,896
		672,907	American Campus Communities Inc.	836,145	38,354
Office REITs (9.4%)			Independence Realty Trust Inc.	548,637	8,048
Boston Properties Inc.	940,666	134,844	NexPoint Residential Trust Inc.	116,318	5,676
Alexandria Real Estate Equities Inc.	690,279	112,654	Investors Real Estate Trust	70,683	5,209
Vornado Realty Trust	1,045,205	68,743	UMH Properties Inc.	221,251	3,496
Kilroy Realty Corp.	614,437	50,734	Front Yard Residential Corp.	311,169	3,339
SL Green Realty Corp.	501,528	46,161	Preferred Apartment Communities Inc.	269,596	3,176
Douglas Emmett Inc.	1,013,220	42,049			1,171,490
Cousins Properties Inc.	884,853	36,217	Retail REITs (11.4%)		
Hudson Pacific Properties Inc.	939,578	34,144	Simon Property Group Inc.	1,874,568	249,599
Highwoods Properties Inc.	631,418	31,640	Realty Income Corp.	1,936,724	151,859
JBG SMITH Properties	775,330	31,440	Regency Centers Corp.	1,019,629	63,258
Equity Commonwealth Corporate Office Properties Trust	681,369	20,284	Federal Realty Investment Trust	456,143	57,027
Piedmont Office Realty Trust Inc.	766,538	17,776	National Retail Properties Inc.	995,022	55,721
Brandywine Realty Trust	1,071,706	16,740	Kimco Realty Corp.	2,568,841	48,936
Paramount Group Inc.	1,140,943	16,042	Brixmor Property Group Inc.	1,812,773	36,183
Columbia Property Trust Inc.	711,804	15,019	Spirit Realty Capital Inc.	548,308	28,940
Mack-Cali Realty Corp.	552,202	12,126	Weingarten Realty Investors	743,347	21,631
			Agree Realty Corp.	255,379	19,391

Real Estate II Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Retail Properties of America Inc.	1,301,343	15,811	QTS Realty Trust Inc.	336,609	19,146
^ Macerich Co.	687,708	15,343	PotlatchDeltic Corp.	408,805	17,579
Urban Edge Properties	737,692	13,566	Four Corners Property Trust Inc.	416,766	12,624
Acadia Realty Trust	514,080	12,759	National Storage Affiliates Trust	361,451	12,344
Retail Opportunity Investments Corp.	695,808	11,530	GEO Group Inc.	739,245	11,680
SITE Centers Corp.	878,528	11,166	CoreCivic Inc.	725,712	11,575
Taubman Centers Inc.	373,171	9,859	Uniti Group Inc.	1,175,312	7,440
Kite Realty Group Trust	512,552	8,816	CorEnergy Infrastructure Trust Inc.	82,266	3,751
American Finance Trust Inc.	646,364	8,383	CatchMark Timber Trust Inc.	299,263	3,070
^ Tanger Factory Outlet Centers Inc.	571,081	8,355	Safehold Inc.	61,569	2,768
^ Seritage Growth Properties	213,305	7,833	Jernigan Capital Inc.	135,002	2,699
RPT Realty	487,993	6,807			2,630,961
Getty Realty Corp.	212,341	6,693	Total Equity Real Estate Investment Trusts (REITs) (Cost \$6,397,555)		7,527,440
Alexander's Inc.	14,006	4,519	Real Estate Management & Development (3.7%)¹		
Saul Centers Inc.	83,911	4,144	Diversified Real Estate Activities (0.2%)		
Urstadt Biddle Properties Inc.	182,306	4,133	* St. Joe Co.	219,248	4,606
^ Washington Prime Group Inc.	1,134,262	3,414	RMR Group Inc.	92,590	4,266
Retail Value Inc.	97,024	3,189	* Five Point Holdings LLC	314,537	2,551
Whitestone REIT	219,605	2,877	* Tejon Ranch Co.	133,376	2,147
^ Pennsylvania REIT	445,913	1,757			13,570
Cedar Realty Trust Inc.	539,698	1,403	Real Estate Development (0.4%)		
§ Spirit MTA REIT	257,871	198	* Howard Hughes Corp.	249,420	30,349
		895,100	* Forestar Group Inc.	99,881	2,025
Specialized REITs (33.5%)					32,374
American Tower Corp.	2,694,308	624,379	Real Estate Operating Companies (0.2%)		
Crown Castle International Corp.	2,530,386	379,153	Kennedy-Wilson Holdings Inc.	780,944	16,837
Equinix Inc.	516,235	304,439	* FRP Holdings Inc.	41,809	1,980
Public Storage	956,363	213,996			18,817
SBA Communications Corp.	688,398	171,797	Real Estate Services (2.9%)		
Digital Realty Trust Inc.	1,267,998	155,951	* CBRE Group Inc.	1,944,891	118,736
Weyerhaeuser Co.	4,533,588	131,247	Jones Lang LaSalle Inc.	313,776	53,285
Extra Space Storage Inc.	782,162	86,570	Cushman & Wakefield plc	595,294	11,442
VICI Properties Inc.	2,805,681	75,192	* Redfin Corp.	447,067	10,877
Gaming and Leisure Properties Inc.	1,241,375	58,661	Newmark Group Inc.	905,452	10,657
Iron Mountain Inc.	1,747,311	55,233	Realogy Holdings Corp.	695,608	7,366
Lamar Advertising Co.	523,092	48,548	* Marcus & Millichap Inc.	142,221	5,035
CyrusOne Inc.	688,905	41,920	RE/MAX Holdings Inc.	108,518	4,154
CubeSmart	1,171,255	37,094	^ eXp World Holdings Inc.	132,165	1,459
EPR Properties	472,174	33,699	* Altisource Portfolio Solutions SA	39,509	735
Life Storage Inc.	283,888	32,130			223,746
CoreSite Realty Corp.	224,506	26,368	Total Real Estate Management & Development (Cost \$269,070)		288,507
Outfront Media Inc.	872,293	25,942			
Rayonier Inc.	788,861	23,966			

	Shares	Market Value* (\$000)
Temporary Cash Investment (0.7%)¹		
Money Market Fund (0.7%)		
2,3 Vanguard Market Liquidity Fund, 1.730% (Cost \$56,247)	562,423	56,253
Total Investments (100.3%) (Cost \$6,722,872)		7,872,200
		Amount (\$000)
Other Assets and Liabilities (-0.3%)		
Other Assets		
Investment in Vanguard		341
Receivables for Accrued Income		4,669
Other Assets		852
Total Other Assets		5,862
Liabilities		
Payables for Investment Securities		
Purchased		(23)
Collateral for Securities on Loan		(30,045)
Payables to Vanguard		(312)
Unrealized Depreciation—		
OTC Swap Contracts		(61)
Total Liabilities		(30,441)
Net Assets (100%)		
Applicable to 346,574,081 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)		7,847,621
Net Asset Value Per Share		\$22.64

At January 31, 2020, net assets consisted of:

	Amount (\$000)
Paid-in Capital	6,738,981
Total Distributable Earnings (Loss)	1,108,640
Net Assets	7,847,621

• See Note A in Notes to Financial Statements.

¹ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$27,381,000.

² Security value determined using significant unobservable inputs.

* Non-income-producing security.

¹ The fund invests a portion of its assets in investment securities through the use of swap contracts. After giving effect to swap investments, the fund's effective investment securities and temporary cash investment positions represent 100.0% and 0.3%, respectively, of net assets.

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 \$30,045,000 was received for securities on loan.
REIT—Real Estate Investment Trust.
OTC—Over-the-Counter.

Derivative Financial Instruments Outstanding as of Period End

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized (Depreciation) (\$000)
VEREIT Inc.	2/2/21	GSI	29,829	(1.655)	—	(61)

¹ Payment received/paid monthly.

GSI—Goldman Sachs International.

At January 31, 2020, a counterparty had deposited in a segregated account securities with a value of \$802,000 in connection with open over-the-counter swap contracts.

Statement of Operations

	Year Ended January 31, 2020
	(\$000)
Investment Income	
Income	
Dividends	198,805
Interest ¹	400
Securities Lending—Net	417
Total Income	199,622
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,100
Management and Administrative	4,733
Custodian Fees	25
Auditing Fees	42
Trustees' Fees and Expenses	3
Total Expenses	5,903
Expenses Paid Indirectly	(22)
Net Expenses	5,881
Net Investment Income	193,741
Realized Net Gain (Loss)	
Capital Gain Distributions Received	35,733
Investment Securities Sold ¹	(10,562)
Futures Contracts	29
Swap Contracts	6,255
Realized Net Gain (Loss)	31,455
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	903,022
Swap Contracts	(61)
Change in Unrealized Appreciation (Depreciation)	902,961
Net Increase (Decrease) in Net Assets Resulting from Operations	1,128,157

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$400,000, \$5,000, and \$5,000, respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2020 (\$000)	2019 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	193,741	199,381
Realized Net Gain (Loss)	31,455	(76,397)
Change in Unrealized Appreciation (Depreciation)	902,961	470,068
Net Increase (Decrease) in Net Assets Resulting from Operations	1,128,157	593,052
Distributions		
Net Investment Income	(199,690)	(203,421)
Realized Capital Gain	—	—
Return of Capital	(65,435)	(75,255)
Total Distributions	(265,125)	(278,676)
Capital Share Transactions		
Issued	—	—
Issued in Lieu of Cash Distributions	265,125	278,676
Redeemed	—	—
Net Increase (Decrease) from Capital Share Transactions	265,125	278,676
Total Increase (Decrease)	1,128,157	593,052
Net Assets		
Beginning of Period	6,719,464	6,126,412
End of Period	7,847,621	6,719,464

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

Financial Highlights

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

¹ Inception.

² Calculated based on average shares outstanding.

³ Annualized.

Notes to Financial Statements

Vanguard Real Estate II Index Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund is a wholly owned subsidiary of Vanguard Real Estate Index Fund (“Real Estate Index Fund”), and at January 31, 2020, the Real Estate Index Fund was the record and beneficial owner of 100% of the fund’s net assets. As part of the Real Estate Index Fund’s principal investment strategy, it attempts to replicate the benchmark index by investing all, or substantially all, of its assets—either directly or indirectly through the fund—in the stocks that make up the index.

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 assets pledged as initial margin for open contracts are noted in the Statement of Net Assets.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets 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 futures gains (losses).

During the year ended January 31, 2020, the fund’s average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund had no open futures contracts at January 31, 2020.

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.

The notional amounts of swap contracts are not recorded in the Statement of Net Assets. 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 Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until termination of the swap, at which time realized gain (loss) is recorded.

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 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 Statement of Net Assets. 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.

During the year ended January 31, 2020, 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. Management has analyzed the fund's tax positions taken for all open federal income tax years (January 31, 2018–2020), and has concluded that no provision for federal income tax is required in the fund's financial statements.

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. The portion of distributions that exceeds a fund's current and accumulated earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Distributions are determined on a tax basis 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 Net Assets for the return of the collateral, during the period the securities are on loan. 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 Facility:** 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 that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at January 31, 2020, or at any time during the period then ended.

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

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund's liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets. All other costs of operations payable to Vanguard are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2020, the fund had contributed to Vanguard capital in the amount of \$341,000, representing less than 0.01% of the fund's net assets and 0.14% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing account. For the year ended January 31, 2020, custodian fee offset arrangements reduced the fund's expenses by \$22,000 (an annual rate of less than 0.01% of average net assets).

D. Various inputs may be used to determine the value of the fund's investments. 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 Statement of Net Assets.

The following table summarizes the market value of the fund's investments and derivatives as of January 31, 2020, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Investments			
Common Stocks	7,815,749	—	198
Temporary Cash Investments	56,253	—	—
Swap Contracts—Liabilities	—	(61)	—
Total	7,872,002	(61)	198

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

	Amount (\$000)
Paid-in Capital	—
Total Distributable Earnings (Loss)	—

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

	Amount (\$000)
Undistributed Ordinary Income	—
Undistributed Long-Term Gains	—
Capital Loss Carryforwards (Non-expiring)*	(52,716)
Net Unrealized Gains (Losses)	1,149,328

* The fund used capital loss carryforwards of \$25,200,000 to offset taxable capital gains realized during the year ended January 31, 2020.

As of January 31, 2020, gross unrealized appreciation and depreciation for investments, and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	6,722,872
Gross Unrealized Appreciation	1,566,882
Gross Unrealized Depreciation	(417,554)
Net Unrealized Appreciation (Depreciation)	1,149,328

F. During the year ended January 31, 2020, the fund purchased \$498,978,000 of investment securities and sold \$233,929,000 of investment securities, other than temporary cash investments.

G. Capital shares issued and redeemed were:

	Year Ended January 31,	
	2020 Shares (000)	2019 Shares (000)
Issued	—	—
Issued in Lieu of Cash Distributions	12,285	14,725
Redeemed	—	—
Net Increase (Decrease) in Shares Outstanding	12,285	14,725

H. Management has determined that no events or transactions occurred subsequent to January 31, 2020, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements

We have audited the accompanying statement of net assets and statement of assets and liabilities of Vanguard Real Estate Index Fund (one of the funds constituting Vanguard Specialized Funds) and the statement of net assets of Vanguard Real Estate II Index Fund (one of the funds constituting Vanguard Fixed Income Securities Funds) (hereafter collectively referred to as the “Funds”) as of January 31, 2020, the related statements of operations for the year ended January 31, 2020, the statements of changes in net assets for each of the two years in the period ended January 31, 2020, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of January 31, 2020, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended January 31, 2020 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of January 31, 2020 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 16, 2020

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

Special 2019 tax information (unaudited) for Vanguard Real Estate Index Fund

This information for the fiscal year ended January 31, 2020, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$62,570,000 of qualified dividend income to shareholders during the fiscal year.

The fund distributed \$1,581,690,000 of qualified business income to shareholders during the fiscal year.

Special 2019 tax information (unaudited) for Vanguard Real Estate II Index Fund

This information for the fiscal year ended January 31, 2020, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$7,029,000 of qualified dividend income to shareholders during the fiscal year.

The fund distributed \$179,201,000 of qualified business income to shareholders during the fiscal year.

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

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The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 213 Vanguard funds.

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

Interested Trustee¹

Mortimer J. Buckley

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

Independent Trustees

Emerson U. Fullwood

Born in 1948. Trustee since January 2008. Principal occupation(s) during the past five years and other experience: executive chief staff and marketing officer for North America and corporate vice president (retired 2008) of Xerox Corporation (document management products and services). Former president of the Worldwide Channels Group, Latin America, and

Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology. Director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

Amy Gutmann

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

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) and the Lumina Foundation. Director of the V Foundation. Member of the advisory

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

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.

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 (1989–present) and vice president (1996–present) of the University of Notre Dame. Assistant professor 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 TIFF Advisory Services, Inc. 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: chief executive officer (2011–present) of The Guardian Life Insurance Company of America. President (2010–2019), 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 Guardian Life Insurance Company of America, the American Council of Life Insurers, and the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, NewYork-Presbyterian Hospital, Catalyst, 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 of advisors and the investment committee of the Museum of Fine Arts Boston. 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. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director (2017–present) of i(x) Investments, LLC; director (2017–present) of Reserve Trust. Rubenstein Fellow (2017–present) of Duke University; trustee (2017–present) of Amherst College, and trustee (2019–present) of the Folger Shakespeare Library.

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 board of Hypertherm Inc. (industrial cutting systems, software, and consumables).

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).

Glenn Booraem

Born in 1967. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (2017–present), treasurer (2015–2017), controller (2010–2015), and assistant controller (2001–2010) of each of the investment companies served by Vanguard.

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.

Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present), chief financial officer (2008–2019), and treasurer (1998–2008) of each of the investment companies served by Vanguard.

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. Schadt

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

Vanguard Senior Management Team

Joseph Brennan
Mortimer J. Buckley
Gregory Davis
John James
Martha G. King
John T. Marcante

Chris D. McIsaac
James M. Norris
Thomas M. Rampulla
Karin A. Risi
Anne E. Robinson
Michael Rollings



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

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

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

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

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