

Annual Report | September 30, 2023

Vanguard Strategic Equity Fund

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

Important information about shareholder reports

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

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

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

Your Fund's Performance at a Glance

- For the 12 months ended September 30, 2023, Vanguard Strategic Equity Fund returned 16.99%. It outperformed its benchmark, the MSCI US Small + Mid Cap 2200 Index, which returned 11.71%.
- Early on, inflation began to ease off multidecade highs amid aggressive interest rate hikes by the Federal Reserve. Unexpected resilience in the labor market and consumer spending helped dial back expectations of a sustained recession, but the prospect of higher rates for longer weighed on market sentiment toward the close of the period.
- Driving the fund's relative outperformance was selection in health care, industrials, communication services, and information technology. Consumer discretionary, consumer staples, and real estate were the only sectors that held back relative performance.
- For the 10 years ended September 30, 2023, the fund posted an average annual return of 9.56%. The result surpassed that of its benchmark index, which returned 8.91%.

Market Barometer

	Average Annual Total Returns Periods Ended September 30, 2023		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	21.19%	9.53%	9.63%
Russell 2000 Index (Small-caps)	8.93	7.16	2.40
Russell 3000 Index (Broad U.S. market)	20.46	9.38	9.14
FTSE All-World ex US Index (International)	20.67	4.23	3.00
Bonds			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	0.78%	-5.18%	0.18%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	2.66	-2.30	1.05
FTSE Three-Month U.S. Treasury Bill Index	4.71	1.78	1.74
CPI			
Consumer Price Index	3.70%	5.75%	4.04%

Advisor's Report

For the 12 months ended September 30, 2023, Vanguard Strategic Equity Fund returned 16.99%. It outperformed its benchmark, the MSCI US Small + Mid Cap 2200 Index, which returned 11.71%.

Investment environment

Inflation began to ease early in the period amid aggressive Federal Reserve interest rate hikes. The labor market and consumer spending remained resilient, but the prospect of higher rates for longer weighed on market sentiment as the period ended.

The Russell 3000 Index, a benchmark for the entire U.S. stock market, returned 20.46% for the period. Large-capitalization stocks outperformed mid- and small-caps. Growth stocks outpaced value stocks, as measured by the Russell 3000 Growth and the Russell 3000 Value Indexes. Stocks outside the United States returned 20.67%, as measured by the FTSE All-World ex US Index.

Overall, yields of U.S. bonds finished higher and their prices lower. The yield for the bellwether 10-year U.S. Treasury, for example, climbed from 3.83% to 4.57%. The broad U.S. investment-grade bond market returned 0.78%, as measured by the Bloomberg U.S. Aggregate Float Adjusted Index.

Investment objective and strategy

Although it's important to understand how overall performance is affected by macro factors, our approach to investing focuses on specific fundamentals. We compare mid- and small-cap U.S. stocks within the

same industry group to identify those with characteristics that we believe will outperform over time.

To do this, we use a strict quantitative approach to evaluate a stock's attractiveness based on several characteristics, consisting of high quality—healthy balance sheets and steady cash-flow generation; management decisions—sound investment policies that favor internal over external funding; consistent earnings growth—the ability to grow earnings year after year; strong market sentiment—market confirmation of our view; reasonable valuation—we strive to avoid overpriced stocks; and defensive characteristics—we evaluate heavily shorted stocks, which can signal concerns about future company prospects.

Using these six themes, we generate a daily composite stock ranking as we seek to capitalize on market inefficiencies. We then monitor our portfolio based on those rankings and adjust when appropriate to maximize expected returns while minimizing exposure to risks that our research indicates don't improve returns (such as industry selection and other risks relative to our benchmark).

After extensive research, we enhanced our stock-selection model in February with an artificial intelligence-driven component applied to each of our six themes, or submodels. This AI approach relies on a proprietary deep-neural net architecture developed in-house to preserve the fundamentals-driven approach we espouse, while making our

selection process sensitive to changing economic and market conditions.

The AI forecasts are blended with our traditional scores to generate an ensemble of daily stock rankings. We then follow our standard approach of monitoring the portfolio based on those rankings and adjust when appropriate. In addition, to properly assess the decisions of the model, we developed a suite of AI interpretability tools that allow us to understand the drivers of the stock scores.

Our successes and shortfalls

During the period, the market rewarded our approach, which favors companies with consistent earnings growth at attractive valuations. All six submodels contributed to relative performance, with the defensive and valuation submodels performing best. Eight of the fund's 11 industry sectors contributed on a relative basis. Health care performed best, primarily because of strong selection in biotech companies. Industrials and communication services also added significantly to performance. Consumer staples, real estate, and consumer discretionary were the only detractors.

At the individual-holding level, the portfolio benefited from overweights to ImmunoGen in health care, Jabil and Splunk in information technology, and Owens Corning and Allison Transmission in industrials. The greatest shortfalls came from overweights to CommScope in information technology and to Zions Bancorp, Comerica, and PacWest Bancorp

in financials; and from an underweight to Palantir Technologies in information technology.

We continue to believe that constructing a portfolio focused on fundamentals will benefit investors over the long term, although we recognize that the market can reward or punish us in the near term. We feel the fund offers a strong mix of stocks with attractive valuations and growth characteristics.

We thank you for your investment and look forward to the coming fiscal year.

Cesar Orosco, CFA, Ph.D., Head of Alpha Equity Investments, and Portfolio Manager

Vanguard Quantitative Equity Group

October 13, 2023

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 September 30, 2023

Strategic Equity Fund	Beginning Account Value 3/31/2023	Ending Account Value 9/30/2023	Expenses Paid During Period
Based on Actual Fund Return	\$1,000.00	\$1,017.10	\$0.86
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.22	0.86

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratio for that period is 0.17%. 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 (183/365).

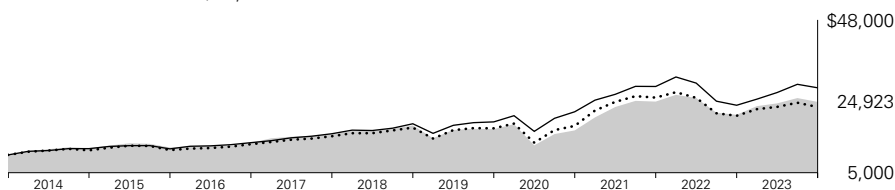
Strategic Equity Fund

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 30, 2013, Through September 30, 2023

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended September 30, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Strategic Equity Fund	16.99%	6.38%	9.56%	\$24,923
MSCI US Small + Mid Cap 2200 Index	11.71	5.84	8.91	23,482
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.49	9.01	11.19	28,891

See Financial Highlights for dividend and capital gains information.

Fund Allocation

As of September 30, 2023

Communication Services	3.6%
Consumer Discretionary	11.9
Consumer Staples	4.3
Energy	5.7
Financials	14.1
Health Care	11.0
Industrials	18.3
Information Technology	13.9
Materials	5.7
Real Estate	6.9
Utilities	4.6

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

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

Financial Statements

Schedule of Investments

As of September 30, 2023

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)
Common Stocks (99.4%)					
Communication Services (3.6%)					
* Live Nation Entertainment Inc.	538,539	44,720	* Abercrombie & Fitch Co. Class A	363,325	20,481
* Yelp Inc.	975,125	40,555	* Taylor Morrison Home Corp.	478,577	20,392
* Match Group Inc.	720,753	28,235	* Tri Pointe Homes Inc.	732,138	20,024
Iridium Communications Inc.	482,851	21,965	Harley-Davidson Inc.	591,991	19,571
* Pinterest Inc. Class A	642,780	17,374	Lear Corp.	144,358	19,373
* TripAdvisor Inc.	1,026,515	17,020	* Caesars Entertainment Inc. KB Home	400,647	18,570
* Cinemark Holdings Inc.	674,971	12,386	PulteGroup Inc.	320,328	14,825
News Corp. Class B	485,399	10,130	Buckle Inc.	199,660	14,785
New York Times Co. Class A	243,605	10,037	* Cavco Industries Inc.	398,019	13,290
John Wiley & Sons Inc. Class A	204,131	7,588	Autoliv Inc.	48,323	12,838
* Liberty Global plc Class A	373,417	6,393	PVH Corp.	126,236	12,179
* ZipRecruiter Inc. Class A	520,516	6,241	* Stride Inc.	155,737	11,915
* Playtika Holding Corp.	514,546	4,955	* Shake Shack Inc. Class A	262,431	11,817
* Bumble Inc. Class A	251,350	3,750	* Winnebago Industries Inc.	189,580	11,009
* ZoomInfo Technologies Inc.	215,893	3,541	* SeaWorld Entertainment Inc.	164,841	9,800
Shutterstock Inc.	89,012	3,387		207,276	9,587
* PubMatic Inc. Class A	206,789	2,502	* Norwegian Cruise Line Holdings Ltd.	572,124	9,429
TEGNA Inc.	170,001	2,477	* Dave & Buster's Entertainment Inc.	239,466	8,877
* Altice USA Inc. Class A	701,455	2,294	Bath & Body Works Inc.	258,774	8,747
* Lumen Technologies Inc.	1,306,589	1,855	Murphy USA Inc.	25,018	8,549
Fox Corp. Class B	53,838	1,555	* Grand Canyon Education Inc.	71,770	8,389
Madison Square Garden Sports Corp.	8,385	1,478	* M/I Homes Inc.	94,873	7,973
* Cargurus Inc.	83,855	1,469	Dana Inc.	406,908	5,969
Cable One Inc.	2,118	1,304	* Adient plc	149,565	5,489
* Liberty Media Corp. - Liberty SiriusXM Class C	36,649	933	Gap Inc.	500,405	5,319
* Integral Ad Science Holding Corp.	72,413	861	* Sally Beauty Holdings Inc.	632,326	5,299
		255,005	Texas Roadhouse Inc.	51,689	4,967
			Red Rock Resorts Inc. Class A	117,929	4,835
Consumer Discretionary (11.8%)			* Everi Holdings Inc.	365,406	4,831
* Genuine Parts Co.	363,038	52,415	* Beazer Homes USA Inc.	193,862	4,829
* AutoNation Inc.	278,043	42,096	Patrick Industries Inc.	61,990	4,653
* Expedia Group Inc.	402,962	41,533	Valvoline Inc.	141,924	4,576
* MGM Resorts International	1,097,329	40,338	* Carvana Co.	99,547	4,179
Boyd Gaming Corp.	616,528	37,503	* frontdoor Inc.	135,857	4,156
* NVR Inc.	6,100	36,376	Wynn Resorts Ltd.	43,630	4,032
Toll Brothers Inc.	408,774	30,233	* Dine Brands Global Inc.	80,408	3,976
LKQ Corp.	579,257	28,679	Urban Outfitters Inc.	121,128	3,960
* Ulta Beauty Inc.	66,925	26,733	Macy's Inc.	335,875	3,900
Travel & Leisure Co.	690,589	25,365	* Green Brick Partners Inc.	91,000	3,777
* Skyline Champion Corp.	331,613	21,130	* ODP Corp.	79,453	3,667
Tapestry Inc.	727,835	20,925	* Qurate Retail Inc. Series A	5,966,896	3,620
			Upbound Group Inc.	119,293	3,133
			Genlex Corp.	105,111	3,420

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* American Axle & Manufacturing Holdings Inc.	461,575	3,351	Murphy Oil Corp.	465,684	21,119
Jack in the Box Inc.	48,234	3,331	Helmerich & Payne Inc.	467,632	19,715
* Royal Caribbean Cruises Ltd.	34,621	3,190	APA Corp.	477,503	19,625
Phinia Inc.	117,782	3,155	HF Sinclair Corp.	341,106	19,419
* Mohawk Industries Inc.	30,151	2,587	*.1 Plains GP Holdings LP Class A	1,076,792	17,358
* Chewy Inc. Class A	130,050	2,375	* Nabors Industries Ltd. (XNYS)	83,836	10,323
Meritage Homes Corp.	18,734	2,293	* Weatherford International plc	108,243	9,778
* Visteon Corp.	15,643	2,160	* Oceaneering International Inc.	291,593	7,500
* Children's Place Inc.	70,790	1,913	Equitrans Midstream Corp.	777,136	7,282
* Modine Manufacturing Co.	40,812	1,867	NOV Inc.	293,820	6,141
* XPEL Inc.	23,631	1,822	* US Silica Holdings Inc.	421,152	5,913
* Stitch Fix Inc. Class A	487,684	1,683	International Seaways Inc.	125,590	5,651
* Sleep Number Corp.	66,612	1,638	Delek US Holdings Inc.	152,051	4,320
Kohl's Corp.	73,163	1,534	* ProPetro Holding Corp.	248,363	2,640
* G-III Apparel Group Ltd.	58,946	1,469	* W&T Offshore Inc.	392,699	1,720
Nordstrom Inc.	97,860	1,462	Vitesse Energy Inc.	65,273	1,494
ADT Inc.	238,713	1,432			397,947
Brunswick Corp.	17,623	1,392			
* Brinker International Inc.	38,651	1,221			
		828,588	Financials (14.0%)		
Consumer Staples (4.2%)			Fifth Third Bancorp	1,819,835	46,096
J M Smucker Co.	303,362	37,286	MGIC Investment Corp.	2,718,571	45,373
Coca-Cola Consolidated Inc.	48,705	30,992	W R Berkley Corp.	695,785	44,175
Conagra Brands Inc.	1,119,120	30,686	Equitable Holdings Inc.	1,527,003	43,352
Clorox Co.	213,568	27,990	Affiliated Managers Group Inc.	291,542	38,000
Ingles Markets Inc. Class A	246,182	18,545	Essent Group Ltd.	784,956	37,121
Church & Dwight Co. Inc.	169,257	15,509	Citizens Financial Group Inc.	1,262,225	33,828
Casey's General Stores Inc.	53,402	14,500	Radian Group Inc.	1,290,492	32,404
* US Foods Holding Corp.	292,910	11,629	CNO Financial Group Inc.	1,266,498	30,054
* Performance Food Group Co.	185,821	10,937	Huntington Bancshares Inc.	2,650,875	27,569
Campbell Soup Co.	223,793	9,193	Stifel Financial Corp.	425,657	26,152
Cal-Maine Foods Inc.	189,075	9,155	Synchrony Financial	812,669	24,843
* Simply Good Foods Co.	258,147	8,911	Loews Corp.	373,291	23,633
Energyizer Holdings Inc.	253,475	8,121	Popular Inc.	364,924	22,994
Flowers Foods Inc.	358,137	7,944	American Financial Group Inc.	201,567	22,509
Kellogg Co.	129,315	7,696	Hartford Financial Services Group Inc.	309,505	21,947
Molson Coors Beverage Co. Class B	113,841	7,239	Everest Group Ltd.	57,847	21,500
Medifast Inc.	75,581	5,657	Regions Financial Corp.	1,237,222	21,280
* Pilgrim's Pride Corp.	230,912	5,272	FNB Corp.	1,970,471	21,261
Lamb Weston Holdings Inc.	55,998	5,178	Axis Capital Holdings Ltd.	362,954	20,460
Herbalife Ltd.	355,977	4,980	First BanCorp (XNYS)	1,409,763	18,975
* USANA Health Sciences Inc.	72,128	4,227	Cboe Global Markets Inc.	116,609	18,216
* Hain Celestial Group Inc.	348,200	3,611	SLM Corp.	1,287,398	17,534
Vector Group Ltd.	336,272	3,578	Synovus Financial Corp.	630,189	17,519
* TreeHouse Foods Inc.	69,060	3,010	International Bancshares Corp.	367,061	15,908
* United Natural Foods Inc.	196,510	2,779	Unum Group	316,078	15,548
* Sprouts Farmers Market Inc.	43,959	1,881	Wintrust Financial Corp.	194,680	14,698
McCormick & Co. Inc.	17,131	1,296	* Robinhood Markets Inc. Class A	1,483,378	14,552
		297,802	Ares Management Corp. Class A	132,100	13,589
Energy (5.7%)			Fidelity National Financial Inc.	324,831	13,416
Halliburton Co.	1,364,990	55,282	Reinsurance Group of America Inc.	91,954	13,351
Diamondback Energy Inc.	265,966	41,193	Evercore Inc. Class A	92,431	12,744
Baker Hughes Co.	1,056,033	37,299	East West Bancorp Inc.	231,242	12,189
Liberty Energy Inc.	1,479,482	27,400	* AvidXchange Holdings Inc.	1,278,018	12,116
* Par Pacific Holdings Inc.	725,989	26,092	Primerica Inc.	58,775	11,403
Marathon Oil Corp.	962,117	25,737			
SM Energy Co.	629,154	24,946			

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Lincoln National Corp.	392,947	9,702	* ACADIA Pharmaceuticals Inc.	701,330	14,616
Hancock Whitney Corp.	260,402	9,632	* Haemonetics Corp.	153,319	13,734
* Mr Cooper Group Inc.	159,202	8,527	* Veeva Systems Inc. Class A	67,203	13,672
* WEX Inc.	44,148	8,304	Cooper Cos. Inc.	42,280	13,445
Virtu Financial Inc. Class A	473,268	8,173	* Mettler-Toledo International Inc.	12,018	13,317
* Coinbase Global Inc. Class A	107,533	8,074	* Ultragenyx Pharmaceutical Inc.	364,329	12,988
Globe Life Inc.	69,603	7,568	DENTSPLY SIRONA Inc.	360,625	12,319
Federated Hermes Inc.	209,170	7,085	* LivaNova plc	219,048	11,583
Webster Financial Corp.	162,027	6,531	* Elanco Animal Health Inc. (XNYS)	1,026,417	11,537
Old National Bancorp	436,666	6,349	* Avantor Inc.	519,954	10,961
Columbia Banking System Inc.	302,642	6,144	* Exelixis Inc.	494,737	10,810
Old Republic International Corp.	225,657	6,079	* Exact Sciences Corp.	156,252	10,659
Jackson Financial Inc. Class A	158,823	6,070	Cencora Inc.	57,081	10,273
Carlyle Group Inc.	171,955	5,186	* ¹ Novavax Inc.	1,332,782	9,649
BOK Financial Corp.	58,151	4,651	* Deciphera Pharmaceuticals Inc.	747,816	9,512
OFG Bancorp	146,265	4,368	Organon & Co.	529,654	9,195
* LendingClub Corp.	676,439	4,126	* Integra LifeSciences Holdings Corp.	237,527	9,071
BrightSphere Investment Group Inc.	173,942	3,373	* Insulet Corp.	49,843	7,949
Associated Banc-Corp.	192,297	3,290	Universal Health Services Inc. Class B	62,728	7,887
* Broughstone Financial Inc.	61,093	2,990	* GoodRx Holdings Inc. Class A	1,342,394	7,558
* PROG Holdings Inc.	80,647	2,678	* PTC Therapeutics Inc.	334,338	7,493
Tradeweb Markets Inc. Class A	30,777	2,468	* Charles River Laboratories International Inc.	33,878	6,639
First American Financial Corp.	42,801	2,418	* Axonics Inc.	115,072	6,458
* Green Dot Corp. Class A	159,930	2,228	* Novro Corp.	296,669	5,702
* Shift4 Payments Inc. Class A	39,907	2,210	* Twist Bioscience Corp.	268,375	5,437
WSFS Financial Corp.	55,868	2,039	* Editas Medicine Inc.	682,453	5,323
* Cannae Holdings Inc.	107,891	2,011	* Pediatrix Medical Group Inc.	394,997	5,020
First Hawaiian Inc.	108,135	1,952	* Coherus Biosciences Inc.	1,341,739	5,018
Navient Corp.	104,480	1,799	* Arrowhead Pharmaceuticals Inc.	171,186	4,600
Simmons First National Corp. Class A	93,570	1,587	Agenus Inc.	4,057,529	4,585
Janus Henderson Group plc	60,795	1,570	* Health Catalyst Inc.	437,940	4,432
Assured Guaranty Ltd.	23,873	1,445	* Neurocrine Biosciences Inc.	38,774	4,362
* Genworth Financial Inc. Class A	237,722	1,393	* Fate Therapeutics Inc.	1,693,663	3,591
Fulton Financial Corp.	107,194	1,298	* CorVel Corp.	17,083	3,359
* Customers Bancorp Inc.	36,515	1,258	* Travere Therapeutics Inc.	342,971	3,066
S&T Bancorp Inc.	41,921	1,135	Premier Inc. Class A	133,536	2,871
		982,020	Perrigo Co. plc	87,470	2,795
Health Care (11.0%)			* Supernus Pharmaceuticals Inc.	88,698	2,445
Chemed Corp.	78,588	40,842	* Sarepta Therapeutics Inc.	20,129	2,440
* Alkermes plc	1,422,199	39,836	ImmunoGen Inc.	147,991	2,349
* Incyte Corp.	644,242	37,218	* Veracyte Inc.	102,543	2,290
* Tenet Healthcare Corp.	526,868	34,715	* iRhythm Technologies Inc.	23,465	2,212
Cardinal Health Inc.	360,833	31,328	* BioCryst Pharmaceuticals Inc.	308,846	2,187
West Pharmaceutical Services Inc.	78,077	29,295	* 2seventy bio Inc.	521,358	2,044
* Ionis Pharmaceuticals Inc.	620,942	28,166	* MacroGenics Inc.	438,261	2,042
* IQVIA Holdings Inc.	135,568	26,673	* Enanta Pharmaceuticals Inc.	180,741	2,019
Bruker Corp.	408,280	25,436	* Integer Holdings Corp.	25,172	1,974
* Inspire Medical Systems Inc.	120,456	23,903	* Shockwave Medical Inc.	9,652	1,922
* Medpace Holdings Inc.	78,350	18,971	* Omnicell Inc.	39,984	1,801
* Veradigm Inc.	1,330,180	17,479	* Globus Medical Inc. Class A	36,070	1,791
* Option Care Health Inc.	524,459	16,966	* Prestige Consumer Healthcare Inc.	30,585	1,749
* Merit Medical Systems Inc.	245,690	16,958			
* Teladoc Health Inc.	835,197	15,526			
* Jazz Pharmaceuticals plc	118,741	15,370			

Strategic Equity Fund

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
* Biohaven Ltd.	62,847	1,635	Watts Water Technologies Inc. Class A	69,517	12,014
* Community Health Systems Inc.	560,085	1,624	* ExiService Holdings Inc.	418,320	11,730
* AtriCure Inc.	36,076	1,580	Herc Holdings Inc.	97,420	11,587
* Arcturus Therapeutics Holdings Inc.	59,767	1,527	* Kirby Corp.	137,911	11,419
* Vir Biotechnology Inc.	159,624	1,496	Brady Corp. Class A	182,282	10,011
* Myriad Genetics Inc.	93,164	1,494	EnerSys	102,434	9,697
* Sage Therapeutics Inc.	72,550	1,493	Ingersoll Rand Inc. (XYNS)	150,850	9,612
* Mirati Therapeutics Inc.	33,890	1,476	Dover Corp.	68,806	9,599
* DaVita Inc.	15,157	1,433	Griffon Corp.	195,576	7,759
* Puma Biotechnology Inc.	540,434	1,421	Valmont Industries Inc.	31,827	7,645
* STAAR Surgical Co.	34,303	1,378	* Beacon Roofing Supply Inc.	98,969	7,637
* Inovio Pharmaceuticals Inc.	3,001,740	1,168	Brink's Co.	103,444	7,514
* Nektar Therapeutics	1,517,103	904	* Legalzoom.com Inc.	684,016	7,483
* Phreesia Inc.	46,630	871	SS&C Technologies Holdings Inc.	137,609	7,230
* iTeos Therapeutics Inc.	76,718	840	* Masterbrand Inc.	594,840	7,227
* Atea Pharmaceuticals Inc.	278,408	835	* MYR Group Inc.	49,550	6,677
* Heron Therapeutics Inc.	609,042	627	Comfort Systems USA Inc.	35,993	6,134
* Joint Corp.	66,951	602	* Curtiss-Wright Corp.	30,680	6,002
* Sangamo Therapeutics Inc.	467,930	281	* WillScot Mobile Mini Holdings Corp.	134,136	5,579
* FibroGen Inc.	165,193	143	* TrueBlue Inc.	360,610	5,290
		772,261	Ennis Inc.	238,646	5,064
Industrials (18.1%)			Arcosa Inc.	69,831	5,021
Textron Inc.	685,258	53,546	Woodward Inc.	37,379	4,645
Owens Corning	384,049	52,388	* PGT Innovations Inc.	161,794	4,490
* Builders FirstSource Inc.	391,840	48,780	Air Lease Corp.	113,783	4,484
Allison Transmission Holdings Inc.	783,567	46,278	Primoris Services Corp.	135,437	4,433
* United Airlines Holdings Inc.	1,090,432	46,125	Encore Wire Corp.	23,949	4,370
Delta Air Lines Inc.	1,166,973	43,178	* SPX Technologies Inc.	51,806	4,217
Acuity Brands Inc.	227,145	38,685	* SkyWest Inc.	99,023	4,153
AGCO Corp.	324,381	38,368	Sensata Technologies Holding plc	106,676	4,035
EMCOR Group Inc.	175,440	36,911	Esab Corp.	57,127	4,011
Paycom Software Inc.	133,896	34,715	Armstrong World Industries Inc.	50,615	3,644
* American Airlines Group Inc.	2,700,026	34,587	* Janus International Group Inc.	321,595	3,441
* Atkore Inc.	229,483	34,237	* ASGN Inc.	32,539	2,658
Ryder System Inc.	314,550	33,641	* Hub Group Inc. Class A	30,650	2,407
Applied Industrial Technologies Inc.	210,889	32,606	MDU Resources Group Inc.	96,365	1,887
Terex Corp.	530,221	30,551	Genco Shipping & Trading Ltd.	117,466	1,643
United Rentals Inc.	67,998	30,230	Franklin Electric Co. Inc.	17,840	1,592
Masco Corp.	554,334	29,629	Matson Inc.	16,402	1,455
* Clean Harbors Inc.	173,434	29,026	* Core & Main Inc. Class A	48,862	1,410
Rush Enterprises Inc. Class A	690,458	28,191	Tetra Tech Inc.	9,004	1,369
VWV Grainger Inc.	40,189	27,804			1,275,967
UFP Industries Inc.	258,720	26,493	Information Technology (13.8%)		
* CACI International Inc. Class A	80,246	25,192	* Manhattan Associates Inc.	266,425	52,662
Wabash National Corp.	1,092,066	23,064	* Arrow Electronics Inc.	362,130	45,353
ManpowerGroup Inc.	307,571	22,551	* Pure Storage Inc. Class A	1,198,766	42,700
Boise Cascade Co.	216,343	22,292	* DocuSign Inc.	1,013,481	42,566
* Copart Inc.	509,456	21,952	Jabil Inc.	320,686	40,692
Graco Inc.	265,514	19,351	* Twilio Inc. Class A	565,474	33,097
Hubbell Inc.	59,258	18,572	* Cadence Design Systems Inc.	140,608	32,944
* Upwork Inc.	1,533,247	17,418	* Cirrus Logic Inc.	426,641	31,554
CSG Systems International Inc.	335,827	17,168	* Flex Ltd.	1,085,579	29,289
nVent Electric plc	307,391	16,289	* Elastic NV	354,000	28,759
* GMS Inc.	251,498	16,088	NetApp Inc.	349,957	26,555
Donaldson Co. Inc.	260,990	15,565	* Nutanix Inc. Class A	757,867	26,434
Korn Ferry	284,793	13,511	Amkor Technology Inc.	1,114,227	25,182
* Paylocity Holding Corp.	69,949	12,710	* RingCentral Inc. Class A	836,738	24,793
			* Western Digital Corp.	477,323	21,780

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Teradata Corp.	473,682	21,325	Materials (5.7%)		
* Dropbox Inc. Class A	739,401	20,134		Reliance Steel & Aluminum Co.	187,491
* SMART Global Holdings Inc.	811,490	19,760	Steel Dynamics Inc.	424,785	45,546
* Kyndryl Holdings Inc.	1,286,652	19,428	Eagle Materials Inc.	243,893	40,613
* MongoDB Inc.	52,033	17,996	Martin Marietta Materials Inc.	72,061	29,580
* Avnet Inc.	370,377	17,848	Warrior Met Coal Inc.	426,518	21,787
* Blackline Inc.	317,897	17,634	Berry Global Group Inc.	340,986	21,111
* CommScope Holding Co. Inc.	5,236,001	17,593	Packaging Corp. of America	117,029	17,970
Hewlett Packard Enterprise Co.	955,825	16,603	Commercial Metals Co.	324,594	16,038
* MaxLinear Inc.	720,113	16,023	* Axalta Coating Systems Ltd.	590,480	15,884
* Synaptics Inc.	178,764	15,989	Chemours Co.	521,262	14,621
* CommVault Systems Inc.	213,905	14,462	* O-I Glass Inc.	827,141	13,838
Xerox Holdings Corp.	862,512	13,533	Graphic Packaging Holding Co.	575,136	12,814
* Rapid7 Inc.	290,380	13,294	Greif Inc. Class A	172,818	11,546
* F5 Inc.	80,061	12,901	Sonoco Products Co.	187,862	10,210
* Everbridge Inc.	552,896	12,396	United States Steel Corp.	275,649	8,953
* Diodes Inc.	148,563	11,713	RPM International Inc.	75,554	7,163
* Okta Inc.	141,107	11,502	Element Solutions Inc.	360,958	7,078
* Qorvo Inc.	119,490	11,408	Ashland Inc.	78,819	6,438
* Fortinet Inc.	193,611	11,361	* TimkenSteel Corp.	282,836	6,143
Pegasystems Inc.	241,904	10,501	AptarGroup Inc.	46,468	5,810
* Q2 Holdings Inc.	293,873	9,483	Olin Corp.	89,844	4,490
* Domo Inc. Class B	872,817	8,562	Eastman Chemical Co.	56,546	4,338
* HubSpot Inc.	17,319	8,530	Carpenter Technology Corp.	60,910	4,094
* Yext Inc.	1,288,316	8,155	Avient Corp.	106,312	3,755
Juniper Networks Inc.	279,339	7,763	Vulcan Materials Co.	12,486	2,522
* Smartsheet Inc. Class A	181,920	7,360	Materion Corp.	24,340	2,481
* UiPath Inc. Class A	402,800	6,892	NewMarket Corp.	3,951	1,798
* Ultra Clean Holdings Inc.	218,071	6,470	* LSB Industries Inc.	161,138	1,648
Zscaler Inc.	37,665	5,860	Sensient Technologies Corp.	27,646	1,617
* LivePerson Inc.	1,312,306	5,105	* Knife River Corp.	32,616	1,593
* LiveRamp Holdings Inc.	164,359	4,740	Tronox Holdings plc	115,340	1,550
* Semtech Corp.	178,393	4,594	* Summit Materials Inc. Class A	49,544	1,543
* Cohu Inc.	130,182	4,483	Sylvamo Corp.	34,694	1,525
* SolarEdge Technologies Inc.	33,880	4,388	Worthington Industries Inc.	22,205	1,373
* Ichor Holdings Ltd.	141,650	4,386	Schnitzer Steel Industries Inc. Class A	35,635	992
* Extreme Networks Inc.	163,614	3,961			397,628
* 8x8 Inc.	1,507,087	3,798	Real Estate (6.9%)		
* Sanmina Corp.	66,526	3,611	Host Hotels & Resorts Inc.	2,662,971	42,794
* Crane NXT Co.	62,558	3,476	Brixmor Property Group Inc.	1,890,813	39,291
* Unisys Corp.	1,001,495	3,455	* Zillow Group Inc. Class C	750,432	34,640
* PagerDuty Inc.	143,544	3,228	Gaming and Leisure Properties Inc.	673,469	30,676
* FormFactor Inc.	81,050	2,832	NNN REIT Inc.	832,519	29,421
* Palantir Technologies Inc. Class A	166,838	2,669	Park Hotels & Resorts Inc.	2,164,686	26,669
* Photronics Inc.	129,199	2,611	Mid-America Apartment Communities Inc.	178,072	22,909
* Squarespace Inc. Class A	75,298	2,181	Apple Hospitality REIT Inc.	1,471,231	22,568
* Viavi Solutions Inc.	195,472	1,787	Spirit Realty Capital Inc.	490,000	16,430
* Alpha & Omega Semiconductor Ltd.	55,692	1,662	Invitation Homes Inc.	504,290	15,981
* Zebra Technologies Corp. Class A	6,805	1,610	Highwoods Properties Inc.	760,386	15,671
* Samsara Inc. Class A	62,999	1,588	RLJ Lodging Trust	1,597,741	15,642
* NCR Corp.	58,355	1,574	DiamondRock Hospitality Co.	1,930,085	15,499
* Itron Inc.	25,904	1,569	EPR Properties	300,186	12,470
* Ciena Corp.	30,665	1,449	* CBRE Group Inc. Class A	151,216	11,169
* Tenable Holdings Inc.	32,159	1,441	Kilroy Realty Corp.	334,097	10,561
* Infinera Corp.	338,817	1,416	Kite Realty Group Trust	469,640	10,060
* HashiCorp Inc. Class A	56,701	1,294			
		971,747			

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Xenia Hotels & Resorts Inc.	853,057	10,049	Entergy Corp.	252,834	23,387
Sun Communities Inc.	79,559	9,415	DTE Energy Co.	189,665	18,830
* Opendoor Technologies Inc.	3,341,347	8,821	Ameren Corp.	247,995	18,557
Regency Centers Corp.	147,109	8,744	Black Hills Corp.	250,774	12,687
American Homes 4 Rent Class A	214,344	7,221	ALLETE Inc.	78,855	4,163
Ryman Hospitality Properties Inc.	85,460	7,117	New Jersey Resources Corp.	92,213	3,747
Essential Properties Realty Trust Inc.	326,924	7,071	Avista Corp.	89,362	2,893
Broadstone Net Lease Inc. UDR Inc.	493,201	7,053	AES Corp.	160,126	2,434
Lamar Advertising Co. Class A	75,936	6,338	Otter Tail Corp.	30,360	2,305
Kimco Realty Corp.	283,755	4,991	American States Water Co.	25,783	2,029
Cousins Properties Inc.	234,657	4,780	CenterPoint Energy Inc.	64,444	1,730
Universal Health Realty Income Trust	94,854	3,835			322,944
Tanger Factory Outlet Centers Inc.	165,646	3,744	Total Common Stocks (Cost \$6,487,730)		6,987,046
SITE Centers Corp.	302,831	3,734	Temporary Cash Investments (0.7%)		
Piedmont Office Realty Trust Inc. Class A	616,424	3,464	Money Market Fund (0.7%)		
* Redfin Corp.	331,249	2,332	^{2,3} Vanguard Market Liquidity Fund, 5.391% (Cost \$46,707)	467,191	46,714
Brandywine Realty Trust	439,754	1,996	Total Investments (100.1%) (Cost \$6,534,437)		7,033,760
LXP Industrial Trust	182,381	1,623	Other Assets and Liabilities—Net (-0.1%)		(5,908)
Innovative Industrial Properties Inc.	19,348	1,464	Net Assets (100%)		7,027,852
Outfront Media Inc.	135,922	1,373	Cost is in \$000.		
Paramount Group Inc.	239,341	1,106	• See Note A in Notes to Financial Statements.		
		485,137	* Non-income-producing security.		
Utilities (4.6%)			1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$14,477,000.		
Vistra Corp.	1,529,827	50,760	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.		
Eergy Inc.	848,011	42,994	3 Collateral of \$15,704,000 was received for securities on loan. REIT—Real Estate Investment Trust.		
NiSource Inc.	1,701,017	41,981			
National Fuel Gas Co.	793,978	41,215			
Edison International	441,142	27,920			
Pinnacle West Capital Corp.	343,535	25,312			

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
				(\$000)
Long Futures Contracts				
E-mini Russell 2000 Index	December 2023	330	29,677	(172)
E-mini S&P 500 Index	December 2023	58	12,544	(171)
				(343)

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

Statement of Assets and Liabilities

As of September 30, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$6,487,730)	6,987,046
Affiliated Issuers (Cost \$46,707)	46,714
Total Investments in Securities	7,033,760
Investment in Vanguard	248
Cash	4,508
Cash Collateral Pledged—Futures Contracts	2,763
Receivables for Investment Securities Sold	4,198
Receivables for Accrued Income	7,778
Receivables for Capital Shares Issued	1,943
Total Assets	7,055,198
Liabilities	
Payables for Investment Securities Purchased	6,321
Collateral for Securities on Loan	15,704
Payables for Capital Shares Redeemed	4,613
Payables to Vanguard	495
Variation Margin Payable—Futures Contracts	213
Total Liabilities	27,346
Net Assets	7,027,852

¹ Includes \$14,477,000 of securities on loan.

At September 30, 2023, net assets consisted of:

Paid-in Capital	6,128,346
Total Distributable Earnings (Loss)	899,506
Net Assets	7,027,852

Net Assets

Applicable to 218,708,299 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	7,027,852
Net Asset Value Per Share	\$32.13

Statement of Operations

Year Ended
September 30, 2023

(\$000)

Investment Income	
Income	
Dividends	118,592
Interest ¹	1,435
Securities Lending—Net	1,953
Total Income	121,980
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,829
Management and Administrative	9,767
Marketing and Distribution	328
Custodian Fees	40
Auditing Fees	30
Shareholders' Reports	110
Trustees' Fees and Expenses	4
Other Expenses	24
Total Expenses	12,132
Expenses Paid Indirectly	(3)
Net Expenses	12,129
Net Investment Income	109,851
Realized Net Gain (Loss)	
Investment Securities Sold ¹	355,479
Futures Contracts	70
Realized Net Gain (Loss)	355,549
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	600,001
Futures Contracts	3,045
Change in Unrealized Appreciation (Depreciation)	603,046
Net Increase (Decrease) in Net Assets Resulting from Operations	1,068,446

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$1,334,000, \$6,000, less than \$1,000, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended September 30,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	109,851	105,327
Realized Net Gain (Loss)	355,549	740,962
Change in Unrealized Appreciation (Depreciation)	603,046	(1,958,579)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,068,446	(1,112,290)
Distributions		
Total Distributions	(734,587)	(1,479,168)
Capital Share Transactions		
Issued	528,122	689,147
Issued in Lieu of Cash Distributions	682,721	1,370,549
Redeemed	(852,843)	(997,958)
Net Increase (Decrease) from Capital Share Transactions	358,000	1,061,738
Total Increase (Decrease)	691,859	(1,529,720)
Net Assets		
Beginning of Period	6,335,993	7,865,713
End of Period	7,027,852	6,335,993

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

Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$30.70	\$44.07	\$30.31	\$31.87	\$37.21
Investment Operations					
Net Investment Income ¹	.503	.517	.465	.459	.449
Net Realized and Unrealized Gain (Loss) on Investments	4.527	(5.606)	13.937	(1.041)	(2.980)
Total from Investment Operations	5.030	(5.089)	14.402	(.582)	(2.531)
Distributions					
Dividends from Net Investment Income	(.457)	(.526)	(.479)	(.444)	(.395)
Distributions from Realized Capital Gains	(3.143)	(7.755)	(.163)	(.534)	(2.414)
Total Distributions	(3.600)	(8.281)	(.642)	(.978)	(2.809)
Net Asset Value, End of Period	\$32.13	\$30.70	\$44.07	\$30.31	\$31.87
Total Return²	16.99%	-14.81%	47.98%	-2.09%	-5.63%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$7,028	\$6,336	\$7,866	\$5,836	\$7,098
Ratio of Total Expenses to Average Net Assets	0.17% ³	0.17%	0.17%	0.17%	0.17%
Ratio of Net Investment Income to Average Net Assets	1.54%	1.39%	1.15%	1.53%	1.42%
Portfolio Turnover Rate	64%	62%	59%	61%	60%

1 Calculated based on average shares outstanding.

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

3 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.17%.

Notes to Financial Statements

Vanguard Strategic Equity Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund.

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

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

2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The fund may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

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

During the year ended September 30, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

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

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

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

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

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

For the year ended September 30, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At September 30, 2023, the fund had contributed to Vanguard capital in the amount of \$248,000, representing less than 0.01% of the fund's net assets and 0.10% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended September 30, 2023, custodian fee offset arrangements reduced the fund's expenses by \$3,000 (an annual rate of less than 0.01% of average net assets).

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

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

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

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

At September 30, 2023, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

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,

Strategic Equity Fund

permanent differences primarily attributable to the accounting for applicable passive foreign investment companies and distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	15,787
Total Distributable Earnings (Loss)	(15,787)

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

	Amount (\$000)
Undistributed Ordinary Income	111,970
Undistributed Long-Term Gains	299,992
Net Unrealized Gains (Losses)	487,544
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	899,506

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	101,686	312,396
Long-Term Capital Gains	632,901	1,166,772
Total	734,587	1,479,168

* Includes short-term capital gains, if any.

As of September 30, 2023, 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	6,546,216
Gross Unrealized Appreciation	1,153,639
Gross Unrealized Depreciation	(666,095)
Net Unrealized Appreciation (Depreciation)	487,544

F. During the year ended September 30, 2023, the fund purchased \$4,512,788,000 of investment securities and sold \$4,779,741,000 of investment securities, other than temporary cash investments.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended September 30, 2023, such purchases were \$12,214,000 and sales were \$3,902,000, resulting in net realized gain of \$2,113,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

G. Capital shares issued and redeemed were:

	Year Ended September 30,	
	2023 Shares (000)	2022 Shares (000)
Issued	16,182	17,927
Issued in Lieu of Cash Distributions	22,340	36,883
Redeemed	(26,200)	(26,922)
Net Increase (Decrease) in Shares Outstanding	12,322	27,888

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

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

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

I. Management has determined that no events or transactions occurred subsequent to September 30, 2023, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Horizon Funds and Shareholders of Vanguard Strategic Equity Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vanguard Strategic Equity Fund (one of the funds constituting Vanguard Horizon Funds, referred to hereafter as the "Fund") as of September 30, 2023, the related statement of operations for the year ended September 30, 2023, the statement of changes in net assets for each of the two years in the period ended September 30, 2023, including the related notes, and the financial highlights for each of the five years in the period ended September 30, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended September 30, 2023 and the financial highlights for each of the five years in the period ended September 30, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 16, 2023

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

Tax information (unaudited)

For corporate shareholders, 63.6%, or if subsequently determined to be different, the maximum percentage allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction.

The fund hereby designates \$86,797,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

The fund hereby designates \$357,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

For nonresident alien shareholders, 100% of short-term capital gain dividends distributed by the fund for the fiscal year are qualified short-term capital gains.

The fund distributed \$643,877,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

The fund hereby designates \$6,443,000, or if subsequently determined to be different, the maximum amount allowable by law, of qualified business income for individual shareholders for the fiscal year.

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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 205 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. Member of the board of governors of the Investment Company Institute and the board of governors of FINRA.

Independent Trustees

Tara Bunch

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

Emerson U. Fullwood

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

F. Joseph Loughrey

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

Mark Loughridge

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

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

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

Scott C. Malpass

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Chair of the board of Catholic Investment Services, Inc. (investment advisors). Member of the board of superintendence of the Institute for the Works of Religion, the Notre Dame 403(b) Investment Committee, and the board of directors of Paxos Trust Company (finance).

Deanna Mulligan

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

André F. Perold

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

Sarah Bloom Raskin

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

(2020–present). Partner of Kaya Partners (climate policy advisory services). Member of the board of directors of Arcadia (energy solution technology).

Grant Reid

Born in 1959. Trustee since July 2023. Principal occupation(s) during the past five years and other experience: chief executive officer and president (2014–2022) and member of the board of directors (2015–2022) of Mars, Incorporated (multinational manufacturer). Member of the board of directors of Marriott International, Inc. Chair of Agribusiness Task Force, Sustainable Markets Initiative.

David Thomas

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

Peter F. Volanakis

Born in 1955. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2010) of Corning Incorporated (communications equipment) and director of Corning Incorporated (2000–2010) and Dow Corning (2001–2010). Director (2012) of SPX Corporation (multi-industry manufacturing). Overseer of the Amos Tuck School of Business Administration, Dartmouth College (2001–2013). Member of the BMW Group Mobility Council.

Executive Officers

Jacqueline Angell

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

Christine M. Buchanan

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

John Galloway

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

Ashley Grim

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

Jodi Miller

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

Anne E. Robinson

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

Michael Rollings

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

Vanguard Senior Management Team

Matthew Benchener

Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

Chris D. McIsaac

Thomas M. Rampulla

Karin A. Risi

Anne E. Robinson

Michael Rollings

Nitin Tandon

Lauren Valente



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

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

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

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

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