

Semiannual Report | June 30, 2023

Vanguard Inflation-Protected Securities Fund

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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 June 30, 2023

	Beginning Account Value 12/31/2022	Ending Account Value 6/30/2023	Expenses Paid During Period
Based on Actual Fund Return			
Inflation-Protected Securities Fund			
Investor Shares	\$1,000.00	\$1,017.80	\$1.00
Admiral™ Shares	1,000.00	1,018.40	0.50
Institutional Shares	1,000.00	1,018.70	0.35
Based on Hypothetical 5% Yearly Return			
Inflation-Protected Securities Fund			
Investor Shares	\$1,000.00	\$1,023.80	\$1.00
Admiral Shares	1,000.00	1,024.30	0.50
Institutional Shares	1,000.00	1,024.45	0.35

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratios for that period are 0.20% for Investor Shares, 0.10% for Admiral Shares, and 0.07% for Institutional Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

Inflation-Protected Securities Fund

Distribution by Stated Maturity

As of June 30, 2023

0 - 5 Years	50.7%
5 - 10 Years	35.3
15 - 20 Years	4.2
20 - 25 Years	5.8
Over 25 Years	4.0

The table reflects the fund's investments, except for short-term investments and derivatives.

Financial Statements (unaudited)

Schedule of Investments

As of June 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.

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
U.S. Government and Agency Obligations (98.6%)				
U.S. Government Securities (98.6%)				
United States Treasury Inflation Indexed Bonds	0.125%	7/15/24	459,568	445,714
United States Treasury Inflation Indexed Bonds	0.125%	10/15/24	955,218	921,195
United States Treasury Inflation Indexed Bonds	0.250%	1/15/25	922,409	883,928
United States Treasury Inflation Indexed Bonds	2.375%	1/15/25	655,955	649,094
United States Treasury Inflation Indexed Bonds	0.125%	4/15/25	777,830	739,794
United States Treasury Inflation Indexed Bonds	0.375%	7/15/25	1,049,876	1,004,609
United States Treasury Inflation Indexed Bonds	0.125%	10/15/25	903,029	856,183
United States Treasury Inflation Indexed Bonds	0.625%	1/15/26	890,394	848,935
United States Treasury Inflation Indexed Bonds	2.000%	1/15/26	421,364	415,575
United States Treasury Inflation Indexed Bonds	0.125%	4/15/26	719,387	674,542
United States Treasury Inflation Indexed Bonds	0.125%	7/15/26	881,089	827,535
United States Treasury Inflation Indexed Bonds	0.125%	10/15/26	1,002,321	937,165
United States Treasury Inflation Indexed Bonds	0.375%	1/15/27	835,174	783,629
United States Treasury Inflation Indexed Bonds	2.375%	1/15/27	412,178	414,182
United States Treasury Inflation Indexed Bonds	0.125%	4/15/27	1,016,250	940,347
United States Treasury Inflation Indexed Bonds	0.375%	7/15/27	887,797	832,173
United States Treasury Inflation Indexed Bonds	1.625%	10/15/27	1,009,575	994,754
United States Treasury Inflation Indexed Bonds	0.500%	1/15/28	943,756	882,703
United States Treasury Inflation Indexed Bonds	1.750%	1/15/28	389,266	384,771
United States Treasury Inflation Indexed Bonds	1.250%	4/15/28	728,071	704,641
United States Treasury Inflation Indexed Bonds	3.625%	4/15/28	394,894	423,593
United States Treasury Inflation Indexed Bonds	0.750%	7/15/28	820,456	777,645
United States Treasury Inflation Indexed Bonds	0.875%	1/15/29	708,720	670,965
United States Treasury Inflation Indexed Bonds	2.500%	1/15/29	373,201	384,401
United States Treasury Inflation Indexed Bonds	3.875%	4/15/29	478,312	528,474
United States Treasury Inflation Indexed Bonds	0.250%	7/15/29	799,209	730,026
United States Treasury Inflation Indexed Bonds	0.125%	1/15/30	925,436	830,286
United States Treasury Inflation Indexed Bonds	0.125%	7/15/30	996,086	893,049
United States Treasury Inflation Indexed Bonds	0.125%	1/15/31	1,032,341	917,642
United States Treasury Inflation Indexed Bonds	0.125%	7/15/31	1,081,537	959,518
United States Treasury Inflation Indexed Bonds	0.125%	1/15/32	1,198,685	1,055,766
United States Treasury Inflation Indexed Bonds	3.375%	4/15/32	164,094	186,432
United States Treasury Inflation Indexed Bonds	0.625%	7/15/32	1,233,925	1,134,636
United States Treasury Inflation Indexed Bonds	1.125%	1/15/33	1,072,392	1,028,327
United States Treasury Inflation Indexed Bonds	2.125%	2/15/40	210,015	225,146
United States Treasury Inflation Indexed Bonds	2.125%	2/15/41	310,607	333,038
United States Treasury Inflation Indexed Bonds	0.750%	2/15/42	491,483	417,218
United States Treasury Inflation Indexed Bonds	0.625%	2/15/43	386,220	316,452
United States Treasury Inflation Indexed Bonds	1.375%	2/15/44	530,643	499,137

Inflation-Protected Securities Fund

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
United States Treasury Inflation Indexed Bonds	0.750%	2/15/45	584,646	482,781
United States Treasury Inflation Indexed Bonds	1.000%	2/15/46	302,490	262,264
United States Treasury Inflation Indexed Bonds	0.875%	2/15/47	368,911	309,303
United States Treasury Inflation Indexed Bonds	1.000%	2/15/48	268,138	230,512
United States Treasury Inflation Indexed Bonds	1.000%	2/15/49	250,715	215,417
¹ United States Treasury Inflation Indexed Bonds	0.250%	2/15/50	395,223	275,959
United States Treasury Inflation Indexed Bonds	0.125%	2/15/51	400,181	266,666
United States Treasury Inflation Indexed Bonds	0.125%	2/15/52	427,115	283,011
United States Treasury Inflation Indexed Bonds	1.500%	2/15/53	206,117	200,643
United States Treasury Note/Bond	1.000%	7/31/28	100,000	85,766
United States Treasury Note/Bond	1.500%	11/30/28	100,000	87,469
United States Treasury Note/Bond	1.375%	12/31/28	70,000	60,725
United States Treasury Note/Bond	1.750%	1/31/29	100,000	88,422
United States Treasury Note/Bond	2.625%	2/15/29	100,000	92,641
United States Treasury Note/Bond	3.875%	9/30/29	120,000	118,838
United States Treasury Note/Bond	4.125%	11/15/32	118,500	121,111
United States Treasury Note/Bond	3.500%	2/15/33	75,000	73,078
Total U.S. Government and Agency Obligations (Cost \$33,214,553)				30,707,826

Shares

Temporary Cash Investments (0.7%)

Money Market Fund (0.7%)

² Vanguard Market Liquidity Fund (Cost \$204,591)	5.150%	2,046,319	204,591
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Total Investments (99.3%) (Cost \$33,419,144)			30,912,417
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Other Assets and Liabilities—Net (0.7%)			230,261
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Net Assets (100%)			31,142,678
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Cost is in \$000.

• See Note A in Notes to Financial Statements.

¹ Securities with a value of \$20,501,000 have been segregated as initial margin for open futures contracts.

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.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
5-Year U.S. Treasury Note	September 2023	4,001	428,482	(7,277)
10-Year U.S. Treasury Note	September 2023	1,616	181,421	(785)
Ultra 10-Year U.S. Treasury Note	September 2023	4,088	484,172	(3,951)
				(12,013)
Short Futures Contracts				
Ultra Long U.S. Treasury Bond	September 2023	(2,169)	(295,458)	(2,534)
				(14,547)

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

Statement of Assets and Liabilities

As of June 30, 2023

((\$000s, except shares, footnotes, and per-share amounts))	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$33,214,553)	30,707,826
Affiliated Issuers (Cost \$204,591)	204,591
Total Investments in Securities	30,912,417
Investment in Vanguard	1,123
Cash	315
Receivables for Investment Securities Sold	164,609
Receivables for Accrued Income	91,258
Receivables for Capital Shares Issued	51,593
Other Assets	117
Total Assets	31,221,432
Liabilities	
Payables for Investment Securities Purchased	774
Payables for Capital Shares Redeemed	49,286
Payables for Distributions	26,705
Payables to Vanguard	1,257
Variation Margin Payable—Futures Contracts	732
Total Liabilities	78,754
Net Assets	31,142,678

Inflation-Protected Securities Fund

Statement of Assets and Liabilities (continued)

At June 30, 2023, net assets consisted of:

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Paid-in Capital	34,823,983
Total Distributable Earnings (Loss)	(3,681,305)
Net Assets	31,142,678

Investor Shares—Net Assets

Applicable to 240,455,209 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,851,992
Net Asset Value Per Share—Investor Shares	\$11.86

Admiral Shares—Net Assets

Applicable to 694,681,606 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	16,174,366
Net Asset Value Per Share—Admiral Shares	\$23.28

Institutional Shares—Net Assets

Applicable to 1,277,481,089 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	12,116,320
Net Asset Value Per Share—Institutional Shares	\$9.48

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

Statement of Operations

Six Months Ended
June 30, 2023

(\$000)

Investment Income	
Income	
Interest ¹	712,855
Total Income	712,855
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,666
Management and Administrative—Investor Shares	2,680
Management and Administrative—Admiral Shares	6,788
Management and Administrative—Institutional Shares	3,275
Marketing and Distribution—Investor Shares	104
Marketing and Distribution—Admiral Shares	545
Marketing and Distribution—Institutional Shares	251
Custodian Fees	28
Shareholders' Reports—Investor Shares	45
Shareholders' Reports—Admiral Shares	128
Shareholders' Reports—Institutional Shares	100
Trustees' Fees and Expenses	8
Other Expenses	7
Total Expenses	15,625
Net Investment Income	697,230
Realized Net Gain (Loss)	
Investment Securities Sold ¹	(377,606)
Futures Contracts	(50,236)
Realized Net Gain (Loss)	(427,842)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	360,338
Futures Contracts	(18,885)
Change in Unrealized Appreciation (Depreciation)	341,453
Net Increase (Decrease) in Net Assets Resulting from Operations	610,841

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$13,795,000, \$8,000, and (\$42,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	697,230	2,770,308
Realized Net Gain (Loss)	(427,842)	(1,017,213)
Change in Unrealized Appreciation (Depreciation)	341,453	(6,580,561)
Net Increase (Decrease) in Net Assets Resulting from Operations	610,841	(4,827,466)
Distributions		
Investor Shares	(36,269)	(260,797)
Admiral Shares	(213,720)	(1,498,041)
Institutional Shares	(160,769)	(1,006,969)
Total Distributions	(410,758)	(2,765,807)
Capital Share Transactions		
Investor Shares	(251,034)	(215,595)
Admiral Shares	(917,572)	(1,625,032)
Institutional Shares	11,560	(233,139)
Net Increase (Decrease) from Capital Share Transactions	(1,157,046)	(2,073,766)
Total Increase (Decrease)	(956,963)	(9,667,039)
Net Assets		
Beginning of Period	32,099,641	41,766,680
End of Period	31,142,678	32,099,641

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

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2023	Year Ended December 31,				
	2023	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$11.80	\$14.49	\$14.43	\$13.18	\$12.47	\$13.04
Investment Operations						
Net Investment Income ¹	.252	.965	.766	.193	.290	.379
Net Realized and Unrealized Gain (Loss) on Investments	(.042)	(2.672)	.023	1.242	.713	(.572)
Total from Investment Operations	.210	(1.707)	.789	1.435	1.003	(.193)
Distributions						
Dividends from Net Investment Income	(.150)	(.983)	(.728)	(.185)	(.293)	(.377)
Distributions from Realized Capital Gains	—	—	(.001)	—	—	—
Total Distributions	(.150)	(.983)	(.729)	(.185)	(.293)	(.377)
Net Asset Value, End of Period	\$11.86	\$11.80	\$14.49	\$14.43	\$13.18	\$12.47
Total Return²	1.78%	-11.95%	5.56%	10.90%	8.06%	-1.49%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$2,852	\$3,082	\$4,024	\$3,570	\$3,402	\$3,526
Ratio of Total Expenses to Average Net Assets	0.20%	0.20% ³	0.20%	0.20%	0.20%	0.20%
Ratio of Net Investment Income to Average Net Assets	4.22%	7.33%	5.26%	1.38%	2.24%	2.96%
Portfolio Turnover Rate	18%	28%	24%	48%	26%	27%

The expense ratio and net investment income ratio for the current period have been annualized.

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 0.20%.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2023	Year Ended December 31,				
	2023	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$23.16	\$28.44	\$28.32	\$25.88	\$24.48	\$25.60
Investment Operations						
Net Investment Income ¹	.509	1.929	1.534	.421	.600	.767
Net Realized and Unrealized Gain (Loss) on Investments	(.082)	(5.252)	.045	2.411	1.394	(1.122)
Total from Investment Operations	.427	(3.323)	1.579	2.832	1.994	(.355)
Distributions						
Dividends from Net Investment Income	(.307)	(1.957)	(1.458)	(.392)	(.594)	(.765)
Distributions from Realized Capital Gains	—	—	(.001)	—	—	—
Total Distributions	(.307)	(1.957)	(1.459)	(.392)	(.594)	(.765)
Net Asset Value, End of Period	\$23.28	\$23.16	\$28.44	\$28.32	\$25.88	\$24.48
Total Return²	1.84%	-11.85%	5.68%	10.96%	8.16%	-1.39%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$16,174	\$16,985	\$22,745	\$18,143	\$14,310	\$13,661
Ratio of Total Expenses to Average Net Assets	0.10%	0.10% ³	0.10%	0.10%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	4.34%	7.46%	5.37%	1.54%	2.34%	3.06%
Portfolio Turnover Rate	18%	28%	24%	48%	26%	27%

The expense ratio and net investment income ratio for the current period have been annualized.

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 0.10%.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2023	Year Ended December 31,				
	2023	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$9.43	\$11.59	\$11.54	\$10.54	\$9.97	\$10.43
Investment Operations						
Net Investment Income ¹	.212	.781	.626	.174	.249	.317
Net Realized and Unrealized Gain (Loss) on Investments	(.035)	(2.141)	.021	.989	.565	(.462)
Total from Investment Operations	.177	(1.360)	.647	1.163	.814	(.145)
Distributions						
Dividends from Net Investment Income	(.127)	(.800)	(.597)	(.163)	(.244)	(.315)
Distributions from Realized Capital Gains	—	—	(.000) ²	—	—	—
Total Distributions	(.127)	(.800)	(.597)	(.163)	(.244)	(.315)
Net Asset Value, End of Period	\$9.48	\$9.43	\$11.59	\$11.54	\$10.54	\$9.97
Total Return	1.87%	-11.90%	5.72%	11.05%	8.18%	-1.40%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$12,116	\$12,033	\$14,998	\$12,587	\$10,250	\$9,591
Ratio of Total Expenses to Average Net Assets	0.07%	0.07% ³	0.07%	0.07%	0.07%	0.07%
Ratio of Net Investment Income to Average Net Assets	4.44%	7.42%	5.37%	1.56%	2.37%	3.09%
Portfolio Turnover Rate	18%	28%	24%	48%	26%	27%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Distribution was less than \$.001 per share.

3 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.07%.

Notes to Financial Statements

Vanguard Inflation-Protected Securities Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers three classes of shares: Investor 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.

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

2. **Futures Contracts:** The fund uses futures contracts to invest in fixed income asset classes with greater efficiency and lower cost than is possible through direct investment, to add value when these instruments are attractively priced, or to adjust sensitivity to changes in interest rates. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of bonds 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 six months ended June 30, 2023, the fund's average investments in long and short futures contracts represented 4% and 2% 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. 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 six months ended June 30, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

6. Other: 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. Inflation adjustments to the face amount of inflation-indexed securities are included in interest income. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2023, the fund had contributed to Vanguard capital in the amount of \$1,123,000, representing less than 0.01% of the fund's net assets and 0.45% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

The following table summarizes the market value of the fund's investments and derivatives as of June 30, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
U.S. Government and Agency Obligations	—	30,707,826	—	30,707,826
Temporary Cash Investments	204,591	—	—	204,591
Total	204,591	30,707,826	—	30,912,417
Derivative Financial Instruments				
Liabilities				
Futures Contracts ¹	14,547	—	—	14,547

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

D. As of June 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	33,440,484
Gross Unrealized Appreciation	81,973
Gross Unrealized Depreciation	(2,624,587)
Net Unrealized Appreciation (Depreciation)	(2,542,614)

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2022, the fund had available capital losses totaling \$999,212,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2023; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

E. During the six months ended June 30, 2023, the fund purchased \$5,833,967,000 of investment securities and sold \$6,378,751,000 of investment securities, other than temporary cash investments.

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

	Six Months Ended June 30, 2023		Year Ended December 31, 2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	136,578	11,342	633,109	47,025
Issued in Lieu of Cash Distributions	33,862	2,837	243,251	19,520
Redeemed	(421,474)	(34,997)	(1,091,955)	(83,041)
Net Increase (Decrease)—Investor Shares	(251,034)	(20,818)	(215,595)	(16,496)
Admiral Shares				
Issued	1,284,568	54,394	4,960,474	189,263
Issued in Lieu of Cash Distributions	187,991	8,023	1,315,318	53,724
Redeemed	(2,390,131)	(101,172)	(7,900,824)	(309,302)
Net Increase (Decrease)—Admiral Shares	(917,572)	(38,755)	(1,625,032)	(66,315)
Institutional Shares				
Issued	1,282,865	133,759	2,684,315	251,132
Issued in Lieu of Cash Distributions	153,105	16,045	954,665	95,882
Redeemed	(1,424,410)	(147,892)	(3,872,119)	(366,000)
Net Increase (Decrease)—Institutional Shares	11,560	1,912	(233,139)	(18,986)

G. 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.

Credit risk is the risk that a counterparty to a transaction or an issuer of a financial instrument will fail to pay interest and principal when due, or that perceptions of the issuer's ability to make such payments will cause the price of an investment to decline. Investment in debt securities will generally increase credit risk.

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.

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

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Inflation-Protected Securities Fund has renewed the fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Fixed Income Group. The board determined that continuing the fund's internalized management structure was in the best interests of the fund and its shareholders.

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

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

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

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

Nature, extent, and quality of services

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

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

Investment performance

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

Cost

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

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

The benefit of economies of scale

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

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

Liquidity Risk Management

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

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

The board of trustees of Vanguard Bond Index Funds approved the appointment of liquidity risk management program administrators responsible for administering Vanguard Inflation-Protected Securities Fund’s Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2022, through December 31, 2022 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the fund’s liquidity risk.



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

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