

**Annual Report** | January 31, 2022

# Vanguard Energy Fund

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

## Your Fund's Performance at a Glance

- For the 12 months ended January 31, 2022, Vanguard Energy Fund returned more than 36% for both Investor and Admiral Shares. It outpaced its benchmark, which returned slightly more than 30%.
- The fund invests in large- and mid-capitalization stocks of companies in traditional energy segments, such as oil and natural gas; newer segments, such as geothermal and solar power; and industries associated with energy and related products worldwide. It uses a bottom-up approach, in which stocks are chosen based on company fundamentals, management track record, and security valuation.
- The fund benefited from an overweight to oil and gas exploration and production, selection in oil and gas refining and marketing, and selection in electric utilities. Performance was held back somewhat by selection in integrated oil and gas companies and multi-utilities, as well as an underweight position in oil and gas equipment services. Among markets, selection in Europe and an underweight to stocks in the Pacific region helped the most.
- For the decade ended January 31, 2022, the fund produced an average annual return of -0.35% for Admiral Shares and -0.43% for Investor Shares, compared with the -1.60% return of its expense-free benchmark.

### Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2022		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	20.32%	20.51%	16.59%
Russell 2000 Index (Small-caps)	-1.21	11.99	9.69
Russell 3000 Index (Broad U.S. market)	18.80	19.93	16.11
FTSE All-World ex US Index (International)	4.20	9.61	8.35
<b>Bonds</b>			
Bloomberg U.S. Aggregate Bond Index (Broad taxable market)	-2.97%	3.67%	3.08%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	-1.89	3.50	3.46
FTSE Three-Month U.S. Treasury Bill Index	0.04	0.89	1.10
<b>CPI</b>			
Consumer Price Index	7.48%	3.76%	2.97%

# Advisor's Report

## Investment Strategy

Vanguard Energy Fund focuses on long-term total return through exposure to diversified energy companies. We believe that the future of energy will become increasingly carbon-free and therefore take a comprehensive approach to defining opportunities in the evolving sector.

Our custom energy and utilities benchmark, which is meant to represent the breadth of this opportunity, is comprised of the real-time weighting of the energy and utility sectors in the MSCI All Country World Energy Index. We invest in a diverse set of subindustries, including integrated oil, oil and gas exploration and production (E&P), refining and marketing, energy equipment and services, electric networks, natural gas networks, and independent, renewable power. Our portfolio represents the energy sector as a whole, though the weightings of the underlying subindustries reflect the relative attractiveness of stocks within them.

## Investment environment

Global equities performed strongly during the twelve months ended January 31, 2022. As a group, stocks in our custom energy and utilities benchmark outpaced the broader-market MSCI All Country World Index.

Over the course of 2021, energy prices recovered strongly from record-low levels earlier in the pandemic. Improving energy demand was met by an undersupplied

market, leading to low and declining oil and gas inventories.

While demand is approaching pre-pandemic levels, oil producer discipline is intact. OPEC-plus countries continue to manage the market very carefully, while U.S. producers have turned to favoring returns over production growth. This dynamic remains in place heading into the first half of 2022, with the added prospect of OPEC spare capacity approaching constrained levels.

Natural gas also managed to post strong returns for the year amid a global gas shortage. This was felt most acutely in Europe, where gas prices rose as weather turned colder in a time of tight supply, exacerbated by rising tensions between the European Union and Russia.

Following a weak start to 2021, utilities recovered in the fourth quarter as the market adopted a more "risk-off" posture. The sector is still in the early stages of a multi-decade tailwind driving the world to a lower-carbon energy system. We are excited by the growth and value creation opportunities this is likely to present for decades to come.

## Our successes and shortfalls

Our portfolio returned 36.33% net of fees and expenses for Investor Shares and surpassed the benchmark return of 30.08% for the fiscal year. Security selection and sector allocation decisions both contributed.

Our overweight to E&P companies boosted performance as the subsector

rose primarily because of strong oil prices. Overweights to ConocoPhillips and Pioneer Natural Resources added the most value, while not owning Exxon or Chevron detracted the most. Strong stock selection in utilities also helped.

ConocoPhillips is a large-capitalization U.S. E&P company with an enhanced focus on returning cash to shareholders. Shares rose in the third quarter of 2021 on news that the firm had purchased all of Royal Dutch Shell's Permian Basin assets at a favorable price. The all-cash acquisition makes ConocoPhillips the second-largest producer in the world's top shale basin, after having also purchased Concho Resources earlier in 2021. In addition to its focus on returning capital to shareholders, ConocoPhillips's strong decarbonization plans make it perhaps the most credible U.S. exploration and production company in addressing carbon emissions.

Pioneer Natural Resources, also one of the largest Permian Basin oil and gas producers, continues to look relatively inexpensive on earnings and free cash flow, and we expect augmented capital returns in the current oil and gas price environment. Pioneer also retains its strong balance sheet and possesses a lower breakeven, along with a robust growth portfolio compared to its peers.

Not owning Exxon and Chevron weighed on relative performance over the period as both stocks surged because of higher oil prices. Nevertheless, we still prefer the European majors (Total, Shell, and BP) to the U.S. leaders (Exxon and Chevron) for three reasons: The European firms

currently offer more attractive valuations, lower dividend payout ratios, and more explicit strategies attempting to address the energy transition.

We are particularly bullish on Shell because of its leadership position in liquefied natural gas and strong customer-facing businesses. Currently, Shell offers superior valuation coupled with the lowest forward-looking dividend payout ratio and the highest free cash flow yield after dividends. Because Shell's balance sheet is in a relatively strong position, we expect significant share buybacks in 2022.

### **The fund's positioning**

We are cautiously optimistic about energy equities in the short to medium term. While the pace and shape of the global economic recovery are still uncertain, we believe that oil fundamentals will be quite strong through 2022, offering a supportive backdrop for energy equities.

This optimism is fueled by our belief that oil supply will remain constrained over the next six months, assuming ongoing discipline from OPEC and producers driven by environmental, social, and governance considerations and the push for shareholder returns. We believe this muted supply response raises the probability that the equilibrium oil price may be higher than previously anticipated, even if prices come down from their elevated levels.

For these reasons, we have overweight positions in the European oil majors. We also see value in some of the gas-heavy

North American E&Ps, notably Chesapeake Energy, Coterra Energy, and ARC Resources.

Utilities underperformed other parts of the energy value chain over the course of 2021. This created attractive entry points to add to integrated utility companies that will benefit from demand growth for renewables and the push toward electrification. These opportunities exist globally, and our exposures come in decreasing order of importance from the U.S., Europe, and emerging-market utilities.

We continue to believe that the portfolio's broad energy exposure can deliver the most favorable long-term risk-reward by capturing both the cyclical benefits in oil and gas supply-demand and exposure to the increasingly decarbonized and electrified energy system of the future.

G. Thomas Levering,  
Senior Managing Director,  
Global Industry Analyst

Wellington Management Company LLP

February 13, 2022

## About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended January 31, 2022

	Beginning Account Value 7/31/2021	Ending Account Value 1/31/2022	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
Energy Fund			
Investor Shares	\$1,000.00	\$1,203.40	\$2.39
Admiral™ Shares	1,000.00	1,203.90	1.94
<b>Based on Hypothetical 5% Yearly Return</b>			
Energy Fund			
Investor Shares	\$1,000.00	\$1,023.04	\$2.19
Admiral Shares	1,000.00	1,023.44	1.79

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 0.43% for Investor Shares and 0.35% for Admiral Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

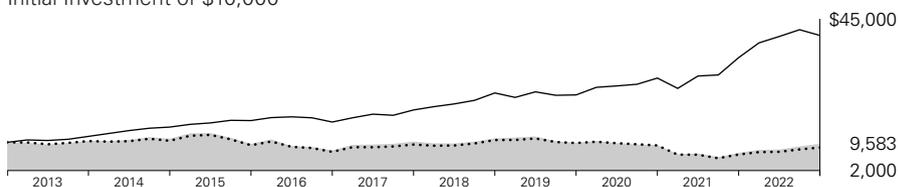
# Energy Fund

## Performance Summary

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

### Cumulative Performance: January 31, 2012, Through January 31, 2022

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended January 31, 2022			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Energy Fund Investor Shares	36.33%	-1.28%	-0.43%	\$ 9,583
Spliced Energy Index	30.08	-1.90	-1.60	8,511
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	16.02	14.96	40,306

Spliced Energy Index: S&P 500 Index through November 30, 2000; S&P Energy Sector Index through May 31, 2010; MSCI All Country World Energy Index through October 20, 2020; MSCI All Country World Energy + Utilities Index thereafter.

	One Year	Five Years	Ten Years	Final Value of a \$50,000 Investment
Energy Fund Admiral Shares	36.43%	-1.20%	-0.35%	\$ 48,257
Spliced Energy Index	30.08	-1.90	-1.60	42,556
Dow Jones U.S. Total Stock Market Float Adjusted Index	18.50	16.02	14.96	201,531

See Financial Highlights for dividend and capital gains information.

## Fund Allocation

As of January 31, 2022

United States	50.0%
United Kingdom	16.4
France	10.2
Canada	5.5
Italy	3.7
Norway	3.0
Spain	2.5
Russia	2.5
India	2.0
Germany	1.5
China	1.4
Brazil	1.3

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



## Energy Fund

	Face Amount (\$000)	Market Value• (\$000)
<b>Repurchase Agreement (1.6%)</b>		
RBS Securities Inc., 0.050%, 2/1/22 (Dated 1/31/22, Repurchase Value \$86,100,000, collateralized by U.S. Treasury Note/Bond 0.750%, 11/15/24, with a value of \$87,822,000)	86,100	86,100
<b>Total Temporary Cash Investments (Cost \$86,186)</b>		<b>86,186</b>
<b>Total Investments (100.0%) (Cost \$4,055,986)</b>		<b>5,381,224</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(2,172)</b>
<b>Net Assets (100%)</b>		<b>5,379,052</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At January 31, 2022, the aggregate value was \$46,282,000, representing 0.9% of net assets.

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

ADR—American Depositary Receipt.

GDR—Global Depositary Receipt.

# Statement of Assets and Liabilities

As of January 31, 2022

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$4,055,900)	5,381,138
Affiliated Issuers (Cost \$86)	86
Total Investments in Securities	5,381,224
Investment in Vanguard	158
Foreign Currency, at Value (Cost \$190)	188
Receivables for Accrued Income	1,100
Receivables for Capital Shares Issued	10,776
<b>Total Assets</b>	<b>5,393,446</b>
<b>Liabilities</b>	
Due to Custodian	1,164
Payables to Investment Advisor	2,554
Payables for Capital Shares Redeemed	6,024
Payables to Vanguard	432
Deferred Foreign Capital Gains Taxes	4,220
<b>Total Liabilities</b>	<b>14,394</b>
<b>Net Assets</b>	<b>5,379,052</b>

At January 31, 2022, net assets consisted of:

Paid-in Capital	4,741,455
Total Distributable Earnings (Loss)	637,597
<b>Net Assets</b>	<b>5,379,052</b>

**Investor Shares—Net Assets**

Applicable to 42,533,793 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	1,771,003
<b>Net Asset Value Per Share—Investor Shares</b>	<b>\$41.64</b>

**Admiral Shares—Net Assets**

Applicable to 46,185,650 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,608,049
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$78.12</b>

## Statement of Operations

Year Ended  
January 31, 2022

(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	193,465
Interest <sup>2</sup>	16
Securities Lending—Net	393
Total Income	193,874
<b>Expenses</b>	
Investment Advisory Fees—Note B	
Basic Fee	7,205
Performance Adjustment	820
The Vanguard Group—Note C	
Management and Administrative—Investor Shares	3,520
Management and Administrative—Admiral Shares	4,687
Marketing and Distribution—Investor Shares	131
Marketing and Distribution—Admiral Shares	156
Custodian Fees	190
Auditing Fees	32
Shareholders' Reports—Investor Shares	65
Shareholders' Reports—Admiral Shares	47
Trustees' Fees and Expenses	6
Total Expenses	16,859
<b>Net Investment Income</b>	<b>177,015</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2,3</sup>	116,458
Foreign Currencies	(188)
<b>Realized Net Gain (Loss)</b>	<b>116,270</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2,4</sup>	1,155,642
Foreign Currencies	(55)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>1,155,587</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,448,872</b>

1 Dividends are net of foreign withholding taxes of \$13,445,000.

2 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$0, \$9,000, and (\$10,000), respectively. Purchases and sales are for temporary cash investment purposes.

3 Realized gain (loss) is net of foreign capital gain taxes of \$3,000.

4 The change in unrealized appreciation (depreciation) is net of the change in deferred foreign capital gains taxes of \$3,986,000.

## Statement of Changes in Net Assets

	Year Ended January 31,	
	2022 (\$000)	2021 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	177,015	206,416
Realized Net Gain (Loss)	116,270	(760,369)
Change in Unrealized Appreciation (Depreciation)	1,155,587	(860,242)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,448,872	(1,414,195)
<b>Distributions</b>		
Investor Shares	(57,404)	(58,294)
Admiral Shares	(119,222)	(124,849)
Total Distributions	(176,626)	(183,143)
<b>Capital Share Transactions</b>		
Investor Shares	(14,569)	29,241
Admiral Shares	7,935	(498,823)
Net Increase (Decrease) from Capital Share Transactions	(6,634)	(469,582)
Total Increase (Decrease)	1,265,612	(2,066,920)
<b>Net Assets</b>		
Beginning of Period	4,113,440	6,180,360
End of Period	5,379,052	4,113,440

# Financial Highlights

## Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$31.66</b>	<b>\$43.28</b>	<b>\$47.85</b>	<b>\$55.62</b>	<b>\$52.70</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	1.364	1.449	1.519	1.300	1.477 <sup>2</sup>
Net Realized and Unrealized Gain (Loss) on Investments	10.019	(11.669)	(4.524)	(7.788)	3.035
Total from Investment Operations	11.383	(10.220)	(3.005)	(6.488)	4.512
<b>Distributions</b>					
Dividends from Net Investment Income	(1.403)	(1.400)	(1.565)	(1.282)	(1.592)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(1.403)	(1.400)	(1.565)	(1.282)	(1.592)
<b>Net Asset Value, End of Period</b>	<b>\$41.64</b>	<b>\$31.66</b>	<b>\$43.28</b>	<b>\$47.85</b>	<b>\$55.62</b>
<b>Total Return<sup>3</sup></b>	<b>36.33%</b>	<b>-23.55%</b>	<b>-6.55%</b>	<b>-11.48%</b>	<b>8.75%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,771	\$1,363	\$1,793	\$2,265	\$2,968
Ratio of Total Expenses to Average Net Assets <sup>4</sup>	0.41%	0.37%	0.32%	0.37%	0.38%
Ratio of Net Investment Income to Average Net Assets	3.68%	4.49%	3.20%	2.42%	2.86% <sup>2</sup>
Portfolio Turnover Rate	14%	55%	48%	31%	24%

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.342 and 0.67%, respectively, resulting from a cash payment received in connection with the merger of General Electric Co. and Baker Hughes Inc. in July 2017.

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

4 Includes performance-based investment advisory fee increases (decreases) of 0.02%, (0.02%), (0.06%), (0.01%), and 0.00%.

# Financial Highlights

## Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$59.39</b>	<b>\$81.18</b>	<b>\$89.77</b>	<b>\$104.35</b>	<b>\$98.88</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	2.615	2.787	2.926	2.511	2.815 <sup>2</sup>
Net Realized and Unrealized Gain (Loss) on Investments	18.794	(21.903)	(8.512)	(14.600)	5.730
Total from Investment Operations	21.409	(19.116)	(5.586)	(12.089)	8.545
<b>Distributions</b>					
Dividends from Net Investment Income	(2.679)	(2.674)	(3.004)	(2.491)	(3.075)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.679)	(2.674)	(3.004)	(2.491)	(3.075)
<b>Net Asset Value, End of Period</b>	<b>\$78.12</b>	<b>\$59.39</b>	<b>\$81.18</b>	<b>\$89.77</b>	<b>\$104.35</b>
<b>Total Return<sup>3</sup></b>	<b>36.43%</b>	<b>-23.47%</b>	<b>-6.50%</b>	<b>-11.40%</b>	<b>8.84%</b>

## Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,608	\$2,751	\$4,388	\$5,606	\$6,796
Ratio of Total Expenses to Average Net Assets <sup>4</sup>	0.33%	0.29%	0.24%	0.29%	0.30%
Ratio of Net Investment Income to Average Net Assets	3.76%	4.60%	3.28%	2.50%	2.94% <sup>2</sup>
Portfolio Turnover Rate	14%	55%	48%	31%	24%

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.643 and 0.67%, respectively, resulting from a cash payment received in connection with the merger of General Electric Co. and Baker Hughes Inc. in July 2017.

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

4 Includes performance-based investment advisory fee increases (decreases) of 0.02%, (0.02%), (0.06%), (0.01%), and 0.00%.

## Notes to Financial Statements

Vanguard Energy Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund offers two classes of shares: Investor Shares and Admiral Shares. Each of the share classes has different eligibility and minimum purchase requirements, and is designed for different types of investors.

The fund invests in securities of foreign issuers, which may subject it to investment risks not normally associated with investing in securities of U.S. corporations. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the fund's pricing time. When fair-value pricing is employed, the prices of securities used by a fund to calculate its net asset value may differ from quoted or published prices for the same securities. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Foreign Currency:** Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the fund's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. **Repurchase Agreements:** The fund enters into repurchase agreements with institutional counterparties. Securities pledged as collateral to the fund under repurchase agreements are held by a custodian bank until the agreements mature, and in the absence of a default, such collateral cannot be repledged, resold, or rehypothecated. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal. The fund further mitigates its counterparty risk by entering into repurchase agreements only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master repurchase agreements with its counterparties. The master repurchase agreements provide that,

in the event of a counterparty's default (including bankruptcy), the fund may terminate any repurchase agreements with that counterparty, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund. Such action may be subject to legal proceedings, which may delay or limit the disposition of collateral.

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

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

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

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

effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

For the year ended January 31, 2022, the fund did not utilize the credit facilities or the Interfund Lending Program.

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

Taxes on foreign dividends and capital gains have been provided for in accordance with the fund's understanding of the applicable countries' tax rules and rates. Deferred foreign capital gains tax, if any, is accrued daily based upon net unrealized gains. The fund has filed tax reclaims for previously withheld taxes on dividends earned in certain European Union countries. These filings are subject to various administrative and judicial proceedings within these countries. Such tax reclaims received during the year, if any, are included in dividend income. No other amounts for additional tax reclaims are reflected in the financial statements due to the uncertainty as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment.

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. Wellington Management Company LLP provides investment advisory services to the fund for a fee calculated at an annual percentage rate of average net assets. The basic fee is subject to quarterly adjustments based on the fund's performance relative to the MSCI ACWI Energy Index for periods prior to October 21, 2020, and to the fund's current benchmark MSCI ACWI Energy + Utilities Index, beginning October 21, 2020, for the preceding three years. The benchmark change will be fully phased in by October 2023. For the year ended January 31, 2022, the investment advisory fee paid represented an effective annual basic rate of 0.15% of the fund's average net assets, before an increase of of \$820,000 (0.02%) based on performance.

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

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At January 31, 2022, the fund had contributed to Vanguard capital in the amount of \$158,000, representing less than 0.01% of the fund's net assets and 0.06% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

The following table summarizes the market value of the fund's investments as of January 31, 2022, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks—North and South America	3,004,556	—	—	3,004,556
Common Stocks—Other	346,439	1,944,043	—	2,290,482
Temporary Cash Investments	86	86,100	—	86,186
<b>Total</b>	<b>3,351,081</b>	<b>2,030,143</b>	<b>—</b>	<b>5,381,224</b>

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

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

## Energy Fund

The differences are primarily related to the deferral of losses from wash sales. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	9,351
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(690,633)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	1,318,879

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2022 Amount (\$000)	2021 Amount (\$000)
Ordinary Income*	176,626	183,143
Long-Term Capital Gains	—	—
Total	176,626	183,143

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

As of January 31, 2022, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	4,058,117
Gross Unrealized Appreciation	1,419,873
Gross Unrealized Depreciation	(96,766)
Net Unrealized Appreciation (Depreciation)	1,323,107

F. During the year ended January 31, 2022, the fund purchased \$646,080,000 of investment securities and sold \$679,456,000 of investment securities, other than temporary cash investments.

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

	Year Ended January 31,			
	2022		2021	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Investor Shares</b>				
Issued	433,225	11,662	535,390	17,354
Issued in Lieu of Cash Distributions	53,100	1,381	54,076	1,741
Redeemed	(500,894)	(13,551)	(560,225)	(17,474)
Net Increase (Decrease)—Investor Shares	(14,569)	(508)	29,241	1,621

	Year Ended January 31,			
	2022		2021	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Admiral Shares</b>				
Issued	851,809	12,163	1,087,853	18,878
Issued in Lieu of Cash Distributions	105,042	1,455	110,803	1,906
Redeemed	(948,916)	(13,745)	(1,697,479)	(28,520)
Net Increase (Decrease)—Admiral Shares	7,935	(127)	(498,823)	(7,736)

H. Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets and thus performance of the fund; at this time, an aggregate effect on assets and performance cannot be reasonably estimated. Management is continuing to monitor these developments and evaluate impacts they may have on the fund.

Management has determined that no other events or transactions occurred subsequent to January 31, 2022, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Specialized Funds and Shareholders of Vanguard Energy Fund

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vanguard Energy Fund (one of the funds constituting Vanguard Specialized Funds, referred to hereafter as the "Fund") as of January 31, 2022, the related statement of operations for the year ended January 31, 2022, the statement of changes in net assets for each of the two years in the period ended January 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended January 31, 2022 (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 January 31, 2022, 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 January 31, 2022 and the financial highlights for each of the five years in the period ended January 31, 2022 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 January 31, 2022 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  
March 23, 2022

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

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**Special 2021 tax information (unaudited) for Vanguard Energy Fund**

This information for the fiscal year ended January 31, 2022, is included pursuant to provisions of the Internal Revenue Code.

For corporate shareholders, 47.2% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

The fund distributed \$176,627,000 of qualified dividend income to shareholders during 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 217 Vanguard funds.

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

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

### Mortimer J. Buckley

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

## 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 (2002–2006), the advisory board of the University of California, Berkeley School of Engineering (2020–present), and the advisory board

of Santa Clara University's Leavey School of Business (2018–present).

### 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.

### Amy Gutmann

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

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

Graduate School of Education, University of Pennsylvania.

### **F. Joseph Loughrey**

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

### **Mark Loughridge**

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

### **Scott C. Malpass**

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: adjunct professor of finance at the University of Notre Dame (2020–present). Chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Assistant professor (retired June 2020) of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Member of the board of Catholic Investment Services, Inc. (investment advisors), the board of superintendence of the Institute for the Works of Religion, 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. 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 co-managing partner of HighVista Strategies (private investment firm). Member of the board (2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

### **Sarah Bloom Raskin**

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Colin W. Brown Distinguished Professor of the Practice of Law (2021–present), professor (2020–present), Distinguished Fellow of the Global Financial Markets Center (2020–present), and Rubenstein Fellow (2017–2020) at Duke University. Trustee (2017–present) of Amherst College and member of Amherst College Investment Committee (2019–present). Member of the Regenerative Crisis Response Committee (2020–present).

### **David A. Thomas**

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

### **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

### 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–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

### David Cermak

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

### John Galloway

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

### Peter Mahoney

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

### Anne E. Robinson

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

### John E. Schadl

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

## Vanguard Senior Management Team

Matthew Benchener

Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

John T. Marcante

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

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