



Annual Report | September 30, 2023

Vanguard PRIMECAP Fund

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

Important information about shareholder reports

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

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

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

Your Fund's Performance at a Glance

- For the 12 months ended September 30, 2023, Vanguard PRIMECAP Fund returned 28.06% for Investor Shares and 28.14% for Admiral Shares. Its benchmark, the Standard & Poor's 500 Index, returned 21.62%.
- Early on, inflation began to ease off multidecade highs amid aggressive interest rate hikes by the Federal Reserve. Unexpected resilience in the labor market and consumer spending helped dial back expectations of a sustained recession, but the prospect of higher rates for longer weighed on market sentiment toward the close of the period.
- Large-capitalization stocks held up better than mid- and small-caps, while value stocks, as measured by the S&P 500 Value Index, outperformed growth stocks, as measured by the S&P 500 Growth Index.
- The fund's holdings in the information technology and health care sectors contributed most to relative performance, with industrials also a significant contributor.

Market Barometer

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

Advisor's Report

For the 12 months ended September 30, 2023, Vanguard PRIMECAP Fund returned 28.06% for Investor Shares and 28.14% for Admiral Shares, exceeding the 21.62% total return of the fund's benchmark, the Standard & Poor's 500 Index, and the 18.46% total return of the fund's multi-capitalization growth fund competitors. Relative to the S&P 500, favorable stock selection was the primary driver of outperformance during the period.

Investment environment

The fiscal year ended September 30 featured a resurgent equity market. The S&P 500 Index's robust rebound fully retraced last fiscal year's decline. Large-capitalization growth stocks, as measured by the Russell 1000 Growth Index, were particularly strong, bouncing 28% after last year's double-digit drop.

And this despite some notable headwinds in the economic landscape. The Federal Reserve continued its aggressive tightening campaign, executing 11 rate hikes totaling 525 basis points in just over a year. The relentless rise in rates sparked a regional banking crisis in March, starting with Silicon Valley Bank's overnight collapse. While that contagion was contained, rising yields applied increasing pressure to a variety of rate-sensitive industries.

Nonetheless, a still-tight labor market supported the underlying economy's ongoing resilience. The unemployment rate remained below 4%, and job growth sustained at a solid pace. Consumers thus

continued to spend reliably, and this consistent strength in personal consumption expenditures translated to steady real GDP growth. Meanwhile, inflation moderated to roughly 4%; August's CPI reading was less than half year-ago levels, while core CPI remained above target but was trending lower. These data largely reinforced the market's conviction in a soft landing.

Information technology (+43.0%) and communication services (+38.1%) were the standout sectors in a comeback year for Big Tech. Indeed, of the newly minted "Magnificent Seven," only Amazon (+13%) and Tesla (-6%) lagged, weighing on consumer discretionary (+14%). The other constituents—NVIDIA (+259%), Meta (+121%), Alphabet (+37%), Microsoft (+37%), and Apple (+25%)—fueled the S&P 500 return, and these seven now comprise nearly 30% of the index, an unprecedented concentration. Elsewhere, defensive sectors including utilities (-7.0%), real estate (-1.4%), consumer staples (+6.7%), and health care (+8.2%) underperformed, while the energy sector (+30.2%) outpaced oil's rise and registered a large gain.

Outlook for U.S. equities

Given the market's outsized strength, the S&P 500 Index's valuation (17.8x forward P/E) has again swelled above historical norms; the 20-year average is 15.6x. Forward earnings incorporate most of 2024's consensus 12% earnings growth, an expectation that defies widespread concerns about a slowing macroeconomic

environment. Meanwhile, interest rates continue to climb; the 10-year Treasury yield finished the period at 4.57%, a level not seen since 2007. Higher interest rates are not prescriptive, but a higher-for-longer rate regime undermines support for above-average equity valuations. These metrics warrant a more cautious outlook.

Portfolio update

The portfolio maintained its substantial overweight positions in health care and industrials stocks; these sectors together comprised 44% of the fund's average assets compared with 23% in the S&P 500. The portfolio was slightly overweight consumer discretionary (11% of average assets versus 10% for the S&P 500), equal weighted information technology (25% of average assets), and underweight financials (7% versus 13%), communication services (6% versus 8%), energy (2% versus 5%), and materials (1% versus 3%). The fund maintained limited exposure to consumer staples, real estate, and utilities.

Sector allocation had a mixed impact during the period. The fund's large overweight position in health care created a substantial headwind. This was roughly offset by underweight positions in other sector laggards, including utilities, real estate, consumer staples, and financials.

Favorable stock selection was the primary driver of relative results. Eli Lilly (+68%), the fund's largest position, surged in response to growing optimism in its twin blockbuster drugs, donanemab for Alzheimer's and Mounjaro for diabetes

and obesity. Health care selection was otherwise varied, with Novartis (+38%), Boston Scientific (+36%), and AstraZeneca (+26%) roughly offsetting Bristol-Myers Squibb (-16%), Roche (-14%), and Biogen (-4%). Within industrials, FedEx (+83%) soared as sentiment improved following a difficult stretch; European giants Airbus (+57%) and Siemens (+49%) also logged strong performances. In contrast, Southwest (-10%) declined on account of higher fuel prices and persistent operational shortcomings.

Selection elsewhere was mixed. Within information technology, strong results from Splunk (+94%), Adobe (+85%), KLA (+54%), and Intel (+43%) only served to offset the fund's underweight positions in NVIDIA (+259%) and Microsoft (+37%), where exuberance around artificial intelligence (AI) drove massive gains. Within consumer discretionary, Royal Caribbean (+143%) more than doubled as cruising fully recovered; this roughly offset a challenging year for Alibaba (+8%), which endured a struggling Chinese economy. Finally, within communication services, limited exposure to Meta (+121%) proved detrimental.

As of September 30, 2023, the fund's top 10 holdings comprised 39% of assets.

Advisor perspectives

Market leadership of late has again been heavily concentrated in Big Tech, a stark contrast to last year's sell-off, when the large-capitalization growth stocks underperformed. A substantial

breakthrough in generative AI explained some of Big Tech's comeback, but so did a belief that a more auspicious interest rate dynamic was just around the corner. Recent equity weakness—especially in Big Tech—is partly a realization that such rate relief may not materialize.

We tend not to obsess about interest rates per se. Our preference for other stocks—the fund is meaningfully underweight the Magnificent Seven in aggregate—reflects bottom-up, fundamental investment theses untethered to a particular rate environment. The fund's largest holding, Eli Lilly, is a prime example.

Not long ago, glucagon-like peptide-1 receptor agonists, or GLP-1s, were a relatively obscure drug class primarily used to treat diabetes. Novo Nordisk's Victoza launched in 2010, followed by Eli Lilly's superior Trulicity in 2014. These GLP-1 therapies and their next-generation derivatives lower blood sugar levels and thus help resolve a diabetic deficiency. But they also induce weight loss, at least in part by signaling satiety to the hypothalamus. First Novo and then Lilly thus pivoted to an obesity indication, with Novo's Wegovy (a version of its Ozempic product) achieving FDA approval for obesity in 2021 and, in something of a Trulicity echo, Lilly's superior Mounjaro on the cusp of the same milestone.

Today, GLP-1s are no longer just another drug class. As a combination GLP-1/GIP agonist, Mounjaro delivers better efficacy and will be advantaged commercially. The stage is set for Mounjaro to become one

of the most successful drugs in pharmaceutical history. Lilly's earnings could quadruple or more by decade-end.

Of note, the fund holds dozens of other not-yet-magnificent stocks with enormous upside potential, whose fundamental trajectories today may resemble Eli Lilly's a decade ago. Of course, many will not fully realize this potential as such outcomes are exceedingly rare. But our portfolio is biased toward such differentiated opportunities.

Conclusion

This year's once-inevitable recession never arrived, as the Fed has managed to trim inflation without stalling the economic engine. Worrisome indicators—for instance, an inverted yield curve and declining money supply—have thus far not been predictive, even if our qualitative assessment of the economy skews negative and our outlook leans cautious. But we still own companies whose fundamentals, like those of Eli Lilly, can evolve much better than the market anticipates. And we still prefer such stocks to the Magnificent Seven, where expectations are perhaps unsustainably high.

PRIMECAP Management Company

October 11, 2023

About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended September 30, 2023

	Beginning Account Value 3/31/2023	Ending Account Value 9/30/2023	Expenses Paid During Period
Based on Actual Fund Return			
PRIMECAP Fund			
Investor Shares	\$1,000.00	\$1,089.30	\$1.99
Admiral™ Shares	1,000.00	1,089.60	1.62
Based on Hypothetical 5% Yearly Return			
PRIMECAP Fund			
Investor Shares	\$1,000.00	\$1,023.16	\$1.93
Admiral Shares	1,000.00	1,023.51	1.57

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 0.38% for Investor Shares and 0.31% 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 (183/365).

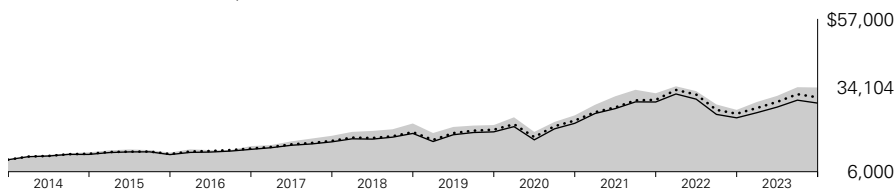
PRIMECAP Fund

Performance Summary

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

Cumulative Performance: September 30, 2013, Through September 30, 2023

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended September 30, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
PRIMECAP Fund Investor Shares	28.06%	9.07%	13.05%	\$34,104
S&P 500 Index	21.62	9.92	11.91	30,821
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.49	9.01	11.19	28,891

	One Year	Five Years	Ten Years	Final Value of a \$50,000 Investment
PRIMECAP Fund Admiral Shares	28.14%	9.15%	13.13%	\$171,750
S&P 500 Index	21.62	9.92	11.91	154,103
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.49	9.01	11.19	144,456

See Financial Highlights for dividend and capital gains information.

Fund Allocation

As of September 30, 2023

Communication Services	6.2%
Consumer Discretionary	11.3
Consumer Staples	0.3
Energy	2.5
Financials	6.4
Health Care	32.2
Industrials	13.0
Information Technology	26.8
Materials	1.3

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

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

Financial Statements

Schedule of Investments

As of September 30, 2023

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

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Common Stocks (98.3%)					
Communication Services (6.1%)					
* Alphabet Inc. Class A	11,184,290	1,463,576			
* Alphabet Inc. Class C	6,464,720	852,373			
* Baidu Inc. ADR	5,322,948	715,138			
* Walt Disney Co.	4,299,554	348,479			
Activision Blizzard Inc.	3,287,700	307,828			
* Charter Communications Inc. Class A	193,600	85,149			
* Meta Platforms Inc. Class A	243,500	73,101			
* T-Mobile US Inc.	339,300	47,519			
* Live Nation Entertainment Inc.	499,000	41,437			
* Netflix Inc.	76,200	28,773			
* Altice USA Inc. Class A	4,710,800	15,404			
Comcast Corp. Class A	51,000	2,262			
Nintendo Co. Ltd.	17,500	727			
Electronic Arts Inc.	5,700	686			
* Roblox Corp. Class A	13,250	384			
		3,982,836			
Consumer Discretionary (11.1%)					
* Tesla Inc.	5,753,000	1,439,516			
¹ Sony Group Corp. ADR	13,245,000	1,091,520			
Ross Stores Inc.	7,604,700	858,951			
* Alibaba Group Holding Ltd. ADR	9,901,817	858,884			
TJX Cos. Inc.	8,168,600	726,025			
* ² Mattel Inc.	26,455,838	582,822			
² Whirlpool Corp.	3,007,832	402,147			
* Amazon.com Inc.	3,063,500	389,432			
* Royal Caribbean Cruises Ltd.	2,404,147	221,518			
Bath & Body Works Inc.	3,490,014	117,963			
Marriott International Inc. Class A	448,410	88,139			
* Flutter Entertainment plc (XDUB)	531,171	86,425			
Hilton Worldwide Holdings Inc.	423,766	63,641			
¹ Restaurant Brands International Inc.	808,900	53,889			
eBay Inc.	1,189,000	52,423			
McDonald's Corp.	191,800	50,528			
* Burlington Stores Inc.	217,700	29,455			
* Carnival Corp.	2,054,065	28,182			
Lowe's Cos. Inc.	125,000	25,980			
MGM Resorts International	540,000	19,850			
* Victoria's Secret & Co.	1,168,271	19,487			
* Ulta Beauty Inc.	21,000	8,388			
Las Vegas Sands Corp.	173,400	7,949			
Newell Brands Inc.	625,000	5,644			
					7,228,758
Consumer Staples (0.3%)					
Sysco Corp.	1,484,400	98,044			
* Dollar Tree Inc.	659,700	70,225			
Altria Group Inc.	594,100	24,982			
¹ Haleon plc ADR	548,000	4,565			
Dollar General Corp.	20,000	2,116			
					199,932
Energy (2.4%)					
Hess Corp.	4,874,200	745,752			
Pioneer Natural Resources Co.	2,231,500	512,241			
EOG Resources Inc.	1,595,600	202,258			
* Transocean Ltd. (XNYS)	12,078,773	99,167			
Schlumberger NV	700,100	40,816			
					1,600,234
Financials (6.3%)					
Wells Fargo & Co.	27,837,347	1,137,434			
Visa Inc. Class A	2,281,400	524,745			
Marsh & McLennan Cos. Inc.	2,630,516	500,587			
JPMorgan Chase & Co.	3,290,400	477,174			
Raymond James Financial Inc.	4,257,403	427,571			
Bank of America Corp.	8,434,632	230,940			
CME Group Inc.	620,068	124,150			
Mastercard Inc. Class A	308,300	122,059			
Progressive Corp.	850,000	118,405			
Northern Trust Corp.	1,507,900	104,769			
Citigroup Inc.	1,822,300	74,951			
Fidelity National Information Services Inc.	1,281,500	70,829			
* PayPal Holdings Inc.	866,500	50,656			
Goldman Sachs Group Inc.	150,000	48,536			
Charles Schwab Corp.	873,014	47,928			
Morgan Stanley	205,000	16,742			
Discover Financial Services	182,525	15,812			
					4,093,288

PRIMECAP Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Health Care (31.7%)					
Eli Lilly & Co.	13,218,508	7,100,057	Rockwell Automation Inc.	165,500	47,311
Amgen Inc.	8,980,295	2,413,544	nVent Electric plc	859,000	45,518
*2 Biogen Inc.	9,016,571	2,317,349	Honeywell International Inc.	221,000	40,828
AstraZeneca plc ADR	25,805,588	1,747,554	* Lyft Inc. Class A	3,208,900	33,822
* Boston Scientific Corp.	25,747,344	1,359,460	L3Harris Technologies Inc.	189,000	32,909
1 Novartis AG ADR	8,961,185	912,786	AMETEK Inc.	221,000	32,655
Thermo Fisher Scientific Inc.	1,799,547	910,877	Deere & Co.	75,700	28,568
Bristol-Myers Squibb Co.	11,502,023	667,577	RTX Corp.	376,870	27,123
* BioMarin Pharmaceutical Inc.	6,697,338	592,581	* WillScot Mobile Mini Holdings Corp.	631,000	26,243
Roche Holding AG	1,557,193	425,115	Norfolk Southern Corp.	127,000	25,010
* BeiGene Ltd. ADR	2,277,390	409,634	* Ryanair Holdings plc ADR	250,000	24,302
GSK plc ADR	8,630,550	312,857	* Uber Technologies Inc.	113,650	5,227
* Seagen Inc.	1,252,675	265,755			8,333,871
Zimmer Biomet Holdings Inc.	2,188,800	245,627	Information Technology (26.4%)		
* Elanco Animal Health Inc. (XNYS)	17,528,639	197,022	* Adobe Inc.	4,357,557	2,221,918
Abbott Laboratories	1,936,695	187,569	Microsoft Corp.	6,240,402	1,970,407
CVS Health Corp.	2,134,000	148,996	Texas Instruments Inc.	10,764,172	1,711,611
Stryker Corp.	317,400	86,736	KLA Corp.	3,581,760	1,642,810
Agilent Technologies Inc.	732,516	81,910	Micron Technology Inc.	23,646,774	1,608,690
Sanofi ADR	893,000	47,901	Intel Corp.	45,108,718	1,603,615
Medtronic plc	570,000	44,665	Oracle Corp.	8,789,770	931,012
* IQVIA Holdings Inc.	213,584	42,023	NVIDIA Corp.	1,725,500	750,575
Danaher Corp.	167,402	41,532	NetApp Inc.	8,312,241	630,733
3 Siemens Healthineers AG	721,300	36,485	Intuit Inc.	1,184,800	605,362
* Edwards Lifesciences Corp.	492,100	34,093	* Splunk Inc.	3,929,808	574,734
Alcon Inc.	431,477	33,250	Analog Devices Inc.	2,491,400	436,219
* Waters Corp.	33,680	9,235	QUALCOMM Inc.	3,138,006	348,507
Humana Inc.	10,076	4,902	HP Inc.	12,883,216	331,099
UnitedHealth Group Inc.	9,615	4,848	Hewlett Packard Enterprise Co.	17,189,842	298,587
* Zimvie Inc.	101,700	957	Apple Inc.	1,567,000	268,286
		20,682,897	Cisco Systems Inc.	4,371,279	235,000
Industrials (12.7%)					
FedEx Corp.	8,572,658	2,271,069	1 Telefonaktiebolaget LM Ericsson ADR	38,743,541	188,294
Siemens AG (Registered)	7,787,469	1,112,898	Entegris Inc.	1,835,622	172,383
Southwest Airlines Co.	25,438,978	688,633	Applied Materials Inc.	1,142,300	158,151
Airbus SE	3,971,592	531,592	Corning Inc.	3,990,600	121,594
* United Airlines Holdings Inc.	12,136,003	513,353	* Autodesk Inc.	424,200	87,771
Delta Air Lines Inc.	11,146,900	412,435	* Palo Alto Networks Inc.	315,450	73,954
Caterpillar Inc.	1,348,100	368,031	* Western Digital Corp.	1,110,000	50,649
United Parcel Service Inc. Class B (XNYS)	1,928,970	300,669	* BlackBerry Ltd.	9,975,500	46,985
Textron Inc.	3,612,300	282,265	Teradyne Inc.	343,200	34,478
Union Pacific Corp.	1,350,400	274,982	* Keysight Technologies Inc.	179,500	23,750
* TransDigm Group Inc.	315,666	266,147	* VMware Inc. Class A	120,000	19,978
* American Airlines Group Inc.	19,044,313	243,958	Dell Technologies Inc. Class C	273,900	18,872
Carrier Global Corp.	3,187,200	175,933	Marvell Technology Inc.	344,000	18,621
* Alaska Air Group Inc.	3,298,400	122,305	Jabil Inc.	80,000	10,151
General Dynamics Corp.	513,800	113,534	* Salesforce Inc.	48,200	9,774
Otis Worldwide Corp.	1,367,260	109,805	* Fortinet Inc.	69,450	4,075
JB Hunt Transport Services Inc.	515,900	97,257	1 Infineon Technologies AG ADR	75,000	2,488
CSX Corp.	2,585,000	79,489	* Arista Networks Inc.	4,000	736
			* Okta Inc.	7,500	611
			* Unity Software Inc.	11,950	375
			* RingCentral Inc. Class A	8,000	237
					17,213,092
Materials (1.3%)					
			Glencore plc	38,813,549	221,024
			Albemarle Corp.	1,085,835	184,635

PRIMECAP Fund

	Shares	Market Value* (\$000)
DuPont de Nemours Inc.	1,972,356	147,118
Linde plc	245,300	91,337
Freeport-McMoRan Inc.	2,186,900	81,550
Dow Inc.	1,255,817	64,750
Corteva Inc.	1,109,216	56,748
		847,162
Total Common Stocks (Cost \$24,448,359)		64,182,070
Temporary Cash Investments (1.9%)		
Money Market Fund (1.9%) 4,5 Vanguard Market Liquidity Fund, 5.391% (Cost \$1,211,059)	12,114,478	1,211,327
Total Investments (100.2%) (Cost \$25,659,418)		65,393,397
Other Assets and Liabilities—Net (-0.2%)		(134,106)
Net Assets (100%)		65,259,291

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$139,866,000.

2 Considered an affiliated company of the fund as the fund owns more than 5% of the outstanding voting securities of such company.

3 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 September 30, 2023, the aggregate value was \$36,485,000, representing 0.1% of net assets.

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

5 Collateral of \$144,394,000 was received for securities on loan. ADR—American Depositary Receipt.

Statement of Assets and Liabilities

As of September 30, 2023

(\$000s, except shares, footnotes, and per-share amounts) Amount

Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$23,252,278)	60,879,752
Affiliated Issuers (Cost \$2,407,140)	4,513,645
Total Investments in Securities	65,393,397
Investment in Vanguard	2,281
Cash	5,120
Receivables for Accrued Income	74,836
Receivables for Capital Shares Issued	11,838
Total Assets	65,487,472
Liabilities	
Payables for Investment Securities Purchased	37,574
Collateral for Securities on Loan	144,394
Payables to Investment Advisor	30,277
Payables for Capital Shares Redeemed	11,844
Payables to Vanguard	4,092
Total Liabilities	228,181
Net Assets	65,259,291

¹ Includes \$139,866,000 of securities on loan.

At September 30, 2023, net assets consisted of:

Paid-in Capital	21,227,367
Total Distributable Earnings (Loss)	44,031,924
Net Assets	65,259,291

Investor Shares—Net Assets

Applicable to 32,361,173 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,762,464
Net Asset Value Per Share—Investor Shares	\$147.17

Admiral Shares—Net Assets

Applicable to 396,669,106 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	60,496,827
Net Asset Value Per Share—Admiral Shares	\$152.51

Statement of Operations

Year Ended
September 30, 2023

(\$000)

Investment Income	
Income	
Dividends—Unaffiliated Issuers ¹	898,557
Dividends—Affiliated Issuers	20,958
Interest—Affiliated Issuers	67,458
Securities Lending—Net	145
Total Income	987,118
Expenses	
Investment Advisory Fees—Note B	115,995
The Vanguard Group—Note C	
Management and Administrative—Investor Shares	9,025
Management and Administrative—Admiral Shares	72,712
Marketing and Distribution—Investor Shares	193
Marketing and Distribution—Admiral Shares	1,789
Custodian Fees	1,677
Auditing Fees	30
Shareholders' Reports—Investor Shares	65
Shareholders' Reports—Admiral Shares	194
Trustees' Fees and Expenses	36
Other Expenses	417
Total Expenses	202,133
Expenses Paid Indirectly	(5)
Net Expenses	202,128
Net Investment Income	784,990
Realized Net Gain (Loss)	
Capital Gains Distributions Received – Affiliated Issuers	4
Investment Securities Sold—Unaffiliated Issuers	4,162,634
Investment Securities Sold—Affiliated Issuers	(3,750)
Foreign Currencies	(51)
Realized Net Gain (Loss)	4,158,837
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers	10,282,718
Investment Securities—Affiliated Issuers	(9,221)
Foreign Currencies	398
Change in Unrealized Appreciation (Depreciation)	10,273,895
Net Increase (Decrease) in Net Assets Resulting from Operations	15,217,722

¹ Dividends are net of foreign withholding taxes of \$14,530,000.

Statement of Changes in Net Assets

	Year Ended September 30,	
	2023 (\$'000)	2022 (\$'000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	784,990	694,417
Realized Net Gain (Loss)	4,158,837	5,251,839
Change in Unrealized Appreciation (Depreciation)	10,273,895	(17,464,208)
Net Increase (Decrease) in Net Assets Resulting from Operations	15,217,722	(11,517,952)
Distributions		
Investor Shares	(408,794)	(553,707)
Admiral Shares	(5,062,138)	(6,487,189)
Total Distributions	(5,470,932)	(7,040,896)
Capital Share Transactions		
Investor Shares	(215,027)	(197,112)
Admiral Shares	(113,439)	659,600
Net Increase (Decrease) from Capital Share Transactions	(328,466)	462,488
Total Increase (Decrease)	9,418,324	(18,096,360)
Net Assets		
Beginning of Period	55,840,967	73,937,327
End of Period	65,259,291	55,840,967

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

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$126.26	\$168.72	\$142.86	\$133.12	\$147.61
Investment Operations					
Net Investment Income ¹	1.632	1.456	1.183	1.745	1.715
Net Realized and Unrealized Gain (Loss) on Investments	31.717	(27.430)	39.134	17.947	(6.495)
Total from Investment Operations	33.349	(25.974)	40.317	19.692	(4.780)
Distributions					
Dividends from Net Investment Income	(1.549)	(1.150)	(1.542)	(1.690)	(1.470)
Distributions from Realized Capital Gains	(10.890)	(15.336)	(12.915)	(8.262)	(8.240)
Total Distributions	(12.439)	(16.486)	(14.457)	(9.952)	(9.710)
Net Asset Value, End of Period	\$147.17	\$126.26	\$168.72	\$142.86	\$133.12
Total Return²	28.06%	-17.25%	29.74%	15.05%	-2.41%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,762	\$4,243	\$5,878	\$5,697	\$6,095
Ratio of Total Expenses to Average Net Assets	0.38% ³	0.38% ³	0.38%	0.38%	0.38%
Ratio of Net Investment Income to Average Net Assets	1.17%	0.95%	0.73%	1.31%	1.32%
Portfolio Turnover Rate	4%	3%	5%	6%	5%

1 Calculated based on average shares outstanding.

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

3 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.38%.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended September 30,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$130.87	\$174.92	\$148.12	\$138.02	\$153.09
Investment Operations					
Net Investment Income ¹	1.793	1.621	1.345	1.920	1.880
Net Realized and Unrealized Gain (Loss) on Investments	32.854	(28.426)	40.564	18.600	(6.756)
Total from Investment Operations	34.647	(26.805)	41.909	20.520	(4.876)
Distributions					
Dividends from Net Investment Income	(1.718)	(1.343)	(1.716)	(1.853)	(1.647)
Distributions from Realized Capital Gains	(11.289)	(15.902)	(13.393)	(8.567)	(8.547)
Total Distributions	(13.007)	(17.245)	(15.109)	(10.420)	(10.194)
Net Asset Value, End of Period	\$152.51	\$130.87	\$174.92	\$148.12	\$138.02
Total Return²	28.14%	-17.19%	29.83%	15.13%	-2.34%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$60,497	\$51,598	\$68,059	\$58,626	\$57,177
Ratio of Total Expenses to Average Net Assets	0.31% ³	0.31% ³	0.31%	0.31%	0.31%
Ratio of Net Investment Income to Average Net Assets	1.24%	1.02%	0.80%	1.39%	1.39%
Portfolio Turnover Rate	4%	3%	5%	6%	5%

1 Calculated based on average shares outstanding.

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

3 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.31%.

Notes to Financial Statements

Vanguard PRIMECAP 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.

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

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

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

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

5. **Securities Lending:** To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and

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

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

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

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

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

Taxes on foreign dividends and capital gains have been provided for in accordance with 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. Amounts related to these reclaims are recorded when there are no significant uncertainties as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment. Such tax reclaims and related professional fees, if any, are included in dividend income and other expenses, respectively.

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. PRIMECAP Management Company provides investment advisory services to the fund for a fee calculated at an annual percentage rate of average net assets. For the year ended September 30, 2023, the investment advisory fee represented an effective annual basic rate of 0.18% of the fund's average net assets.

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 September 30, 2023, the fund had contributed to Vanguard capital in the amount of \$2,281,000, representing less than 0.01% of the fund's net assets and 0.91% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

D. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended September 30, 2023, custodian fee offset arrangements reduced the fund's expenses by \$5,000 (an annual rate of less than 0.01% of average net assets).

E. 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 September 30, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	61,767,804	2,414,266	—	64,182,070
Temporary Cash Investments	1,211,327	—	—	1,211,327
Total	62,979,131	2,414,266	—	65,393,397

F. 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 applicable foreign currency transactions and distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	231,487
Total Distributable Earnings (Loss)	(231,487)

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

	Amount (\$000)
Undistributed Ordinary Income	612,526
Undistributed Long-Term Gains	3,692,808
Net Unrealized Gains (Losses)	39,726,590
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	44,031,924

The tax character of distributions paid was as follows:

	Year Ended September 30,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	721,198	804,431
Long-Term Capital Gains	4,749,734	6,236,465
Total	5,470,932	7,040,896

* Includes short-term capital gains, if any.

As of September 30, 2023, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	25,666,797
Gross Unrealized Appreciation	42,386,363
Gross Unrealized Depreciation	(2,659,763)
Net Unrealized Appreciation (Depreciation)	39,726,600

G. During the year ended September 30, 2023, the fund purchased \$2,390,626,000 of investment securities and sold \$6,892,650,000 of investment securities, other than temporary cash investments.

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

	Year Ended September 30,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	205,544	1,472	229,327	1,457
Issued in Lieu of Cash Distributions	388,807	3,083	527,986	3,387
Redeemed	(809,378)	(5,800)	(954,425)	(6,080)
Net Increase (Decrease)—Investor Shares	(215,027)	(1,245)	(197,112)	(1,236)
Admiral Shares				
Issued	1,725,734	12,228	1,600,922	10,130
Issued in Lieu of Cash Distributions	4,730,931	36,219	6,077,212	37,637
Redeemed	(6,570,104)	(46,041)	(7,018,534)	(42,598)
Net Increase (Decrease)—Admiral Shares	(113,439)	2,406	659,600	5,169

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

	Sep. 30, 2022 Market Value (\$000)	Current Period Transactions						Sep. 30, 2023 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income (\$000)	Capital Gain Distributions Received (\$000)	
Biogen Inc.	2,381,790	30,163	3,588	234	(91,250)	—	—	2,317,349
Mattel Inc.	517,760	—	15,791	(3,750)	84,603	—	—	582,822
Vanguard Market Liquidity Fund	1,696,764	NA ¹	NA ¹	136	147	67,458	4	1,211,327
Whirlpool Corp.	403,733	4,843	3,338	(370)	(2,721)	20,958	—	402,147
Total	5,000,047	35,006	22,717	(3,750)	(9,221)	88,416	4	4,513,645

¹ Not applicable—purchases and sales are for temporary cash investment purposes.

J. 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.

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

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Chester Funds and Shareholders of Vanguard PRIMECAP Fund

Opinion on the Financial Statements

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

Basis for Opinion

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

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

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

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

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

Tax information (unaudited)

For corporate shareholders, 92.1%, or if subsequently determined to be different, the maximum percentage allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction.

The fund hereby designates \$721,198,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

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

The fund distributed \$4,943,218,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

The fund hereby designates \$15,692,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard PRIMECAP Fund has renewed the fund's investment advisory arrangement with PRIMECAP Management Company (PRIMECAP). The board determined that renewing the fund's advisory arrangement 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 fund's performance relative to its peers and benchmark, as applicable, and updates, as needed, on the Portfolio Review Department's ongoing assessment of the advisor.

Prior to their meeting, the trustees were provided with a memo and material 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 PRIMECAP, founded in 1983, is recognized for its long-term approach to growth equity investing. Five experienced portfolio managers are responsible for separate subportfolios, and each portfolio manager employs a fundamental, research-driven approach in seeking to identify companies with long-term growth potential that the market has yet to appreciate. The multi-counselor approach employed by PRIMECAP is designed to emphasize individual decision-making and enable the portfolio managers to invest in their highest-conviction ideas. The advisor's fundamental research focuses on developing opinions independent from Wall Street's consensus and maintaining a long-term horizon. PRIMECAP has managed the fund since its inception in 1984.

The board concluded that the advisor'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 fee rate was also below the peer-group average.

The board did not consider the profitability of PRIMECAP in determining whether to approve the advisory fee, because PRIMECAP is independent of Vanguard and the advisory fee is the result of arm's-length negotiations.

The benefit of economies of scale

The board concluded that the fund's shareholders benefit from economies of scale because of breakpoints in the fund's advisory fee schedule. The breakpoints reduce the effective rate of the fee as fund assets increase.

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

The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 205 Vanguard funds.

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

Interested Trustee¹

Mortimer J. Buckley

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

Independent Trustees

Tara Bunch

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

Emerson U. Fullwood

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

F. Joseph Loughrey

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

Mark Loughridge

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

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

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

Scott C. Malpass

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

Deanna Mulligan

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

André F. Perold

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

Sarah Bloom Raskin

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

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

Grant Reid

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

David Thomas

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

Peter F. Volanakis

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

Executive Officers

Jacqueline Angell

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

Christine M. Buchanan

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

John Galloway

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

Ashley Grim

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

Jodi Miller

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

Anne E. Robinson

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

Michael Rollings

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

Vanguard Senior Management Team

Matthew Benchener

Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

Chris D. McIsaac

Thomas M. Rampulla

Karin A. Risi

Anne E. Robinson

Michael Rollings

Nitin Tandon

Lauren Valente



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

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

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting [vanguard.com/proxyreporting](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. 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.

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

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