

Annual Report | January 31, 2023

Vanguard Dividend Appreciation Index 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, 2023, Vanguard Dividend Appreciation Index Fund returned -2.02% for both ETF Shares (based on net asset value) and Admiral Shares. Those results were in line with the -1.94% return of its benchmark index after taking into account the cost of running the fund.
- Despite some relief in midsummer and toward the end of the period, it was a volatile, challenging time for financial markets. Early on, inflation readings across much of the world continued climbing to multidecade highs amid supply chain bottlenecks, rising energy and food prices, and broader price increases in goods and services. Central banks responded by aggressively tightening monetary policy. Later, it appeared that inflation might have peaked, and central banks began slowing their pace of interest rate hikes.
- Sticky inflation, dramatic rate hikes, and fears of a recession weighed heavily on sentiment in the stock market.
- From a sector perspective, the largest contributors to the fund's performance were industrials and health care. Information technology, consumer discretionary, and communication services detracted most.

Market Barometer

	Average Annual Total Returns Periods Ended January 31, 2023		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	-8.55%	9.66%	9.38%
Russell 2000 Index (Small-caps)	-3.38	7.51	5.54
Russell 3000 Index (Broad U.S. market)	-8.24	9.51	9.12
FTSE All-World ex US Index (International)	-5.39	4.15	1.73
Bonds			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	-8.40%	-2.34%	0.89%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	-3.25	-0.42	2.07
FTSE Three-Month U.S. Treasury Bill Index	1.87	0.78	1.29
CPI			
Consumer Price Index	6.41%	5.06%	3.83%

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, 2023

	Beginning Account Value 7/31/2022	Ending Account Value 1/31/2023	Expenses Paid During Period
Based on Actual Fund Return			
Dividend Appreciation Index Fund			
ETF Shares	\$1,000.00	\$1,031.00	\$0.31
Admiral™ Shares	1,000.00	1,031.10	0.41
Based on Hypothetical 5% Yearly Return			
Dividend Appreciation Index Fund			
ETF Shares	\$1,000.00	\$1,024.90	\$0.31
Admiral Shares	1,000.00	1,024.80	0.41

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 0.06% for ETF Shares and 0.08% 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).

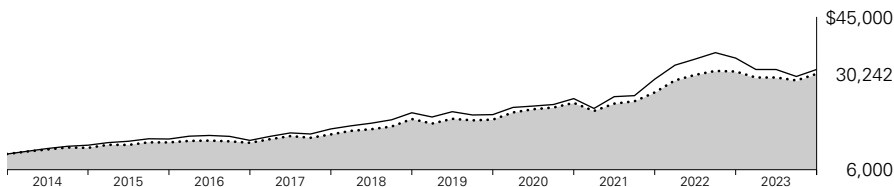
Dividend Appreciation Index Fund

Performance Summary

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

Cumulative Performance: January 31, 2013, Through January 31, 2023

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended January 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
■ Dividend Appreciation Index Fund ETF Shares Net Asset Value	-2.02%	9.89%	11.70%	\$30,242
□ Dividend Appreciation Index Fund ETF Shares Market Price	-2.02	9.88	11.70	30,235
..... Spliced S&P U.S. Dividend Growers Index	-1.94	9.97	11.78	30,458
— Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	12.19	31,581

Spliced S&P U.S. Dividend Growers Index: NASDAQ US Dividend Achievers Select Index through September 19, 2021; S&P U.S. Dividend Growers Index thereafter.

	One Year	Five Years	Since Inception (12/19/2013)	Final Value of a \$10,000 Investment
Dividend Appreciation Index Fund Admiral Shares	-2.02%	9.88%	10.74%	\$25,357
Spliced S&P U.S. Dividend Growers Index	-1.94	9.97	10.83	25,533
Dow Jones U.S. Total Stock Market Float Adjusted Index	-8.42	8.99	10.84	25,566

Spliced S&P U.S. Dividend Growers Index: NASDAQ US Dividend Achievers Select Index through September 19, 2021; S&P U.S. Dividend Growers Index thereafter.

"Since Inception" performance is calculated from the Admiral Shares' inception date for both the fund and its comparative standard(s). See Financial Highlights for dividend and capital gains information.

Dividend Appreciation Index Fund

Cumulative Returns of ETF Shares: January 31, 2013, Through January 31, 2023

	One Year	Five Years	Ten Years
Dividend Appreciation Index Fund ETF Shares Market Price	-2.02%	60.20%	202.35%
Dividend Appreciation Index Fund ETF Shares Net Asset Value	-2.02	60.27	202.42
Spliced S&P U.S. Dividend Growers Index	-1.94	60.85	204.58

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

Fund Allocation

As of January 31, 2023

Communication Services	1.9%
Consumer Discretionary	9.7
Consumer Staples	12.9
Energy	0.1
Financials	15.6
Health Care	15.1
Industrials	13.3
Information Technology	23.3
Materials	4.9
Utilities	3.2

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

The fund may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

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 January 31, 2023

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

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Common Stocks (99.7%)					
Communication Services (1.8%)					
Comcast Corp. Class A	27,613,767	1,086,602	McCormick & Co. Inc.	1,588,681	119,342
Activision Blizzard Inc.	4,523,310	346,350	Clorox Co.	782,161	113,171
John Wiley & Sons Inc. Class A	272,740	12,491	J M Smucker Co.	676,637	103,390
		1,445,443	Hormel Foods Corp.	1,837,992	83,279
Consumer Discretionary (9.7%)			Brown-Forman Corp. Class B	1,160,944	77,296
Home Depot Inc.	6,570,662	2,130,011	Casey's General Stores Inc.	236,801	55,864
McDonald's Corp.	4,651,251	1,243,744	Ingredion Inc.	416,040	42,769
NIKE Inc. Class B	8,009,526	1,019,853	Lancaster Colony Corp.	125,599	24,104
Lowe's Cos. Inc.	4,051,158	843,654	WD-40 Co.	86,932	15,173
Starbucks Corp.	7,478,275	816,179	J & J Snack Foods Corp.	94,985	13,611
Target Corp.	2,977,937	512,622	Nu Skin Enterprises Inc. Class A	316,609	13,576
Tractor Supply Co.	701,370	159,905	Andersons Inc.	201,474	7,410
Genuine Parts Co.	895,249	150,241	SpartanNash Co.	222,713	7,056
Best Buy Co. Inc.	1,301,429	115,463	Tootsie Roll Industries Inc.	114,668	5,129
Pool Corp.	247,755	95,537			10,119,447
Service Corp. International	978,218	72,535	Energy (0.1%)		
VF Corp.	2,118,967	65,561	Texas Pacific Land Corp.	39,115	78,068
Williams-Sonoma Inc.	432,285	58,332	Financials (15.6%)		
Whirlpool Corp.	355,766	55,353	JPMorgan Chase & Co.	18,628,254	2,607,210
Churchill Downs Inc.	209,193	51,901	S&P Global Inc.	2,114,964	792,985
Lithia Motors Inc. Class A	173,244	45,598	Goldman Sachs Group Inc.	2,150,787	786,779
Gentex Corp.	1,487,048	43,883	BlackRock Inc.	955,302	725,275
Polaris Inc.	346,965	39,845	Chubb Ltd.	2,636,055	599,676
Thor Industries Inc.	340,457	32,456	Marsh & McLennan Cos. Inc.	3,150,177	550,997
Monro Inc.	199,455	10,152	Aon plc Class A (XNYS)	1,347,779	429,510
Dillard's Inc. Class A	23,185	9,119	PNC Financial Services Group Inc.	2,576,613	426,249
Aaron's Co. Inc.	196,562	2,880	Truist Financial Corp.	8,423,179	416,021
		7,574,824	CME Group Inc.	2,284,797	403,632
Consumer Staples (12.9%)			Moody's Corp.	1,000,827	323,017
Procter & Gamble Co.	15,192,759	2,163,145	Travelers Cos. Inc.	1,517,367	289,999
Coca-Cola Co.	24,717,257	1,515,662	Aflac Inc.	3,644,302	267,856
PepsiCo Inc.	8,744,393	1,495,466	Arthur J Gallagher & Co. Bank of New York Mellon Corp.	1,331,087	260,520
Costco Wholesale Corp.	2,800,786	1,431,594	Ameriprise Financial Inc.	4,795,012	242,484
Walmart Inc.	9,010,574	1,296,351	Allstate Corp.	681,537	238,620
Colgate-Palmolive Co.	5,305,038	395,384	State Street Corp.	1,720,154	220,988
Archer-Daniels-Midland Co.	3,489,293	289,088	Discover Financial Services	2,327,197	212,543
Sysco Corp.	3,250,580	251,790	T Rowe Price Group Inc.	1,765,287	206,062
Hershey Co.	933,151	209,586	Fifth Third Bancorp	1,391,122	162,024
Kroger Co.	3,183,052	142,060		4,358,398	158,166
Church & Dwight Co. Inc.	1,561,422	126,257			
Tyson Foods Inc. Class A	1,853,906	121,894			

Dividend Appreciation Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Raymond James Financial Inc.	1,218,991	137,466	Horace Mann Educators Corp.	259,732	9,249
Cincinnati Financial Corp.	998,058	112,930	Lakeland Bancorp Inc.	421,266	8,118
FactSet Research Systems Inc.	240,838	101,860	Federal Agricultural Mortgage Corp. Class C	57,702	7,673
W R Berkley Corp.	1,297,106	90,979	Southside Bancshares Inc.	196,604	7,447
Brown & Brown Inc.	1,492,010	87,372	Tompkins Financial Corp.	81,380	6,130
MarketAxess Holdings Inc.	238,770	86,877	1st Source Corp.	107,205	5,273
Cboe Global Markets Inc.	673,358	82,742	Horizon Bancorp Inc.	244,500	3,824
Globe Life Inc.	574,418	69,418	First Financial Corp.	70,355	3,160
Reinsurance Group of America Inc.	427,474	64,878	Bank of Marin Bancorp	93,815	2,859
American Financial Group Inc.	443,756	63,275	Southern Missouri Bancorp Inc.	47,917	2,320
RenaissanceRe Holdings Ltd.	290,161	56,782			12,241,285
Cullen/Frost Bankers Inc.	406,443	52,951	Health Care (15.0%)		
Commerce Bancshares Inc.	728,238	48,472	UnitedHealth Group Inc.	5,933,763	2,962,075
Assurant Inc.	335,268	44,453	Johnson & Johnson	16,603,468	2,713,339
Prosperity Bancshares Inc.	578,774	43,906	Abbott Laboratories	11,073,306	1,224,154
SEI Investments Co.	656,839	41,006	Bristol-Myers Squibb Co.	13,749,187	998,878
Erie Indemnity Co. Class A	158,865	38,819	Elevance Health Inc.	1,516,652	758,311
SouthState Corp.	484,312	38,551	Medtronic plc	8,449,183	707,112
Morningstar Inc.	158,604	38,522	Stryker Corp.	2,139,336	542,985
Primerica Inc.	234,536	37,936	Becton Dickinson and Co.	1,826,997	460,805
Lincoln National Corp.	1,001,402	35,480	Humana Inc.	804,221	411,520
RLI Corp.	256,790	34,012	McKesson Corp.	918,053	347,648
Bank OZK	701,499	32,037	AmerisourceBergen Corp. Class A	1,021,618	172,613
Axis Capital Holdings Ltd.	487,492	30,502	STERIS plc	632,926	130,705
Hanover Insurance Group Inc.	225,805	30,389	West Pharmaceutical Services Inc.	470,147	124,871
Evercore Inc. Class A	227,839	29,576	Quest Diagnostics Inc.	745,608	110,708
First Financial Bankshares Inc.	822,798	29,308	Chemed Corp.	94,400	47,685
Home BancShares Inc.	1,203,734	28,733	Ensign Group Inc.	353,926	33,004
UMB Financial Corp.	276,551	24,942	Perrigo Co. plc	857,169	32,075
Assured Guaranty Ltd.	379,580	23,762	Embecta Corp.	366,604	9,675
Independent Bank Corp. (XNGS)	290,859	23,179	Atrion Corp.	8,508	5,848
American Equity Investment Life Holding Co.	440,884	21,008	LeMaitre Vascular Inc.	120,171	5,670
Community Bank System Inc.	342,454	19,763	National HealthCare Corp.	85,864	5,112
BOK Financial Corp.	185,771	18,670			11,804,793
Simmons First National Corp. Class A	824,687	18,399	Industrials (13.2%)		
Atlantic Union Bankshares Corp.	472,929	18,298	Honeywell International Inc.	4,285,714	893,486
First Merchants Corp.	383,048	16,333	United Parcel Service Inc. Class B (XNYS)	4,635,232	858,584
International Bancshares Corp.	333,009	15,608	Caterpillar Inc.	3,304,833	833,776
Towne Bank	421,317	12,838	Union Pacific Corp.	3,940,991	804,711
Cohen & Steers Inc.	157,970	11,606	Lockheed Martin Corp.	1,499,958	694,871
Lakeland Financial Corp.	160,524	11,351	Illinois Tool Works Inc.	1,774,726	418,906
Stock Yards Bancorp Inc.	184,657	11,072	Northrop Grumman Corp.	933,399	418,200
Sandy Spring Bancorp Inc.	284,640	9,621	CSX Corp.	13,353,476	412,889
Westamerica BanCorp	171,923	9,552	Eaton Corp. plc	2,526,016	409,745
BancFirst Corp.	108,958	9,385	Waste Management Inc.	2,372,632	367,117
			Emerson Electric Co.	3,780,281	341,057
			General Dynamics Corp.	1,437,869	335,110
			L3Harris Technologies Inc.	1,208,865	259,688
			Cintas Corp.	546,182	242,363
			Cummins Inc.	899,065	224,353
			Rockwell Automation Inc.	727,792	205,259
			Fastenal Co.	3,635,751	183,787

Dividend Appreciation Index Fund

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
VWV Grainger Inc.	285,537	168,318	Oracle Corp.	9,991,111	883,814
Republic Services Inc. Class A	1,306,518	163,080	Intuit Inc.	1,790,198	756,663
Dover Corp.	891,325	135,330	Automatic Data Processing Inc.	2,642,802	596,771
Xylem Inc.	1,144,277	119,016	Analog Devices Inc.	3,341,758	573,011
IDEX Corp.	478,563	114,702	KLA Corp.	905,671	355,458
Expeditors International of Washington Inc.	1,010,174	109,250	Amphenol Corp. Class A	3,772,355	300,921
JB Hunt Transport Services Inc.	526,403	99,517	Roper Technologies Inc.	673,638	287,475
Snap-on Inc.	339,359	84,409	Motorola Solutions Inc.	1,061,490	272,814
Stanley Black & Decker Inc.	939,644	83,920	Microchip Technology Inc.	3,484,649	270,478
Nordson Corp.	340,933	82,949	TE Connectivity Ltd.	2,024,094	257,364
Carlisle Cos. Inc.	328,815	82,487	Paychex Inc.	2,035,450	235,827
Hubbell Inc. Class B	340,998	78,058	HP Inc.	5,982,916	174,342
Toro Co.	672,355	74,981	Corning Inc.	4,969,578	171,997
CH Robinson Worldwide Inc.	746,451	74,772	Broadridge Financial Solutions Inc.	745,373	112,074
Graco Inc.	1,069,831	73,091	Jack Henry & Associates Inc.	471,051	84,832
Allegion plc	558,063	65,600	Littelfuse Inc.	156,697	40,223
Lincoln Electric Holdings Inc.	366,850	61,216	Badger Meter Inc.	184,930	21,433
Robert Half International Inc.	700,456	58,810	Cass Information Systems Inc.	77,926	3,784
Regal Rexnord Corp.	420,714	58,563			18,276,297
HEICO Corp. Class A	437,841	58,531	Materials (4.9%)		
Pentair plc	1,044,662	57,853	Linde plc	3,139,565	1,039,008
A O Smith Corp.	816,921	55,306	Air Products and Chemicals Inc.	1,406,620	450,836
Lennox International Inc.	204,388	53,268	Sherwin-Williams Co.	1,497,907	354,390
Donaldson Co. Inc.	778,589	48,545	Nucor Corp.	1,712,879	289,511
HEICO Corp.	254,093	43,437	Ecolab Inc.	1,573,311	243,596
MDU Resources Group Inc.	1,294,001	39,998	Albemarle Corp.	743,763	209,332
Applied Industrial Technologies Inc.	245,181	35,112	PPG Industries Inc.	1,492,257	194,501
MSA Safety Inc.	233,672	31,871	International Flavors & Fragrances Inc.	1,618,504	182,017
Ryder System Inc.	319,143	30,130	Avery Dennison Corp.	514,056	97,383
ManpowerGroup Inc.	321,079	27,985	Reliance Steel & Aluminum Co.	372,509	84,727
GATX Corp.	224,367	25,679	Packaging Corp. of America	588,876	84,033
Insperty Inc.	227,690	25,171	Celanese Corp. Class A	638,542	78,668
Franklin Electric Co. Inc.	247,502	22,349	RPM International Inc.	820,140	73,739
Hillenbrand Inc.	442,593	20,740	Eastman Chemical Co.	796,269	70,207
ABM Industries Inc.	420,179	19,711	Royal Gold Inc.	416,452	52,902
Brady Corp. Class A	298,733	15,973	AptarGroup Inc.	413,588	47,827
McGrath RentCorp.	153,786	15,308	Sonoco Products Co.	618,522	37,798
Trinity Industries Inc.	521,841	15,013	Ashland Inc.	336,725	36,794
Griffon Corp.	304,797	12,460	Silgan Holdings Inc.	529,811	28,551
Lindsay Corp.	69,473	10,881	Westlake Corp.	218,998	26,882
Standex International Corp.	76,796	8,875	Cabot Corp.	356,519	26,856
Tennant Co.	116,738	8,187	Balchem Corp.	203,835	26,627
Matthews International Corp. Class A	198,439	7,350	HB Fuller Co.	337,172	23,299
Apogee Enterprises Inc.	145,657	6,823	Avient Corp.	542,227	21,971
Douglas Dynamics Inc.	148,124	5,986	Sensient Technologies Corp.	268,349	20,311
Gorman-Rupp Co.	142,569	4,096	Scotts Miracle-Gro Co.	258,532	18,663
		10,398,609	Quaker Chemical Corp.	86,426	17,015
			Stapan Co.	134,926	14,820
Information Technology (23.3%)			Worthington Industries Inc.	191,276	10,878
Microsoft Corp.	10,914,783	2,704,792	Hawkins Inc.	122,181	4,765
Visa Inc. Class A	10,054,987	2,314,759			3,867,907
Mastercard Inc. Class A	5,418,822	2,008,215	Utilities (3.2%)		
Broadcom Inc.	2,564,255	1,500,115	NextEra Energy Inc.	12,620,378	941,859
Cisco Systems Inc.	26,077,639	1,269,199	Xcel Energy Inc.	3,474,573	238,946
Accenture plc Class A	3,999,446	1,116,045	WEC Energy Group Inc.	2,003,283	188,289
Texas Instruments Inc.	5,763,735	1,021,391	Eversource Energy	2,211,772	182,095
QUALCOMM Inc.	7,075,296	942,500			

Dividend Appreciation Index Fund

	Shares	Market Value* (\$000)	Shares	Market Value* (\$000)
American Water Works Co. Inc.	1,154,688	180,697		
DTE Energy Co.	1,230,440	143,186		
CMS Energy Corp.	1,843,538	116,493		
Atmos Energy Corp.	868,960	102,138		
Alliant Energy Corp.	1,595,115	86,184		
Essential Utilities Inc.	1,516,671	70,874		
IDACORP Inc.	320,721	33,935		
National Fuel Gas Co.	578,213	33,571		
New Jersey Resources Corp.	613,546	30,628		
ONE Gas Inc.	343,600	28,299		
American States Water Co.	234,960	22,126		
California Water Service Group	348,889	21,342		
MGE Energy Inc.	228,365	16,696		
Chesapeake Utilities Corp.	112,244	14,152		
SJW Group	170,773	13,219		
Middlesex Water Co.	111,994	9,392		
York Water Co.	89,059	4,048		
		2,478,169		
Total Common Stocks (Cost \$59,906,736)		78,284,842		
Temporary Cash Investments (0.2%)				
Money Market Fund (0.2%)				
¹ Vanguard Market Liquidity Fund, 4.437% (Cost \$159,229)	1,592,681		159,252	
Total Investments (99.9%) (Cost \$60,065,965)			78,444,094	
Other Assets and Liabilities—Net (0.1%)			89,140	
Net Assets (100%)			78,533,234	

Cost is in \$000.

• See Note A in Notes to Financial Statements.

¹ Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
				(\$000)
Long Futures Contracts				
E-mini S&P 500 Index	March 2023	480	98,160	3,450

Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) ¹ (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
Kroger Co.	1/31/24	GSI	44,630	(4.570)	—	—
Visa Inc. Class A	8/31/23	BANA	102,443	(4.227)	—	(315)
					—	(315)

¹ Based on 1M USD Overnight Bank Funding Rate as of the most recent payment date. Floating interest payment received/paid monthly. 1M—1-month.

BANA—Bank of America, N.A.

GSI—Goldman Sachs International.

At January 31, 2023, the counterparties had deposited in segregated accounts securities with a value of \$10,647,000 in connection with open over-the-counter swap contracts.

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

Statement of Assets and Liabilities

As of January 31, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$59,906,736)	78,284,842
Affiliated Issuers (Cost \$159,229)	159,252
Total Investments in Securities	78,444,094
Investment in Vanguard	2,921
Cash Collateral Pledged—Futures Contracts	5,090
Cash Collateral Pledged—Over-the-Counter Swap Contracts	2,040
Receivables for Investment Securities Sold	10,106
Receivables for Accrued Income	71,869
Receivables for Capital Shares Issued	7,485
Variation Margin Receivable—Futures Contracts	1,380
Total Assets	78,544,985
Liabilities	
Due to Custodian	120
Payables for Investment Securities Purchased	2,123
Payables for Capital Shares Redeemed	7,030
Payables to Vanguard	2,163
Unrealized Depreciation—Over-the-Counter Swap Contracts	315
Total Liabilities	11,751
Net Assets	78,533,234

At January 31, 2023, net assets consisted of:

Paid-in Capital	62,556,656
Total Distributable Earnings (Loss)	15,976,578
Net Assets	78,533,234

ETF Shares—Net Assets

Applicable to 422,764,818 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	66,062,087
Net Asset Value Per Share—ETF Shares	\$156.26

Admiral Shares—Net Assets

Applicable to 294,086,548 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	12,471,147
Net Asset Value Per Share—Admiral Shares	\$42.41

Statement of Operations

Year Ended
January 31, 2023

(\$000)

Investment Income	
Income	
Dividends	1,524,292
Interest ¹	3,566
Securities Lending—Net	2
Total Income	1,527,860
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,751
Management and Administrative—ETF Shares	32,337
Management and Administrative—Admiral Shares	8,701
Marketing and Distribution—ETF Shares	2,551
Marketing and Distribution—Admiral Shares	445
Custodian Fees	300
Auditing Fees	32
Shareholders' Reports—ETF Shares	1,388
Shareholders' Reports—Admiral Shares	170
Trustees' Fees and Expenses	27
Other Expenses	37
Total Expenses	47,739
Expenses Paid Indirectly	(4)
Net Expenses	47,735
Net Investment Income	1,480,125
Realized Net Gain (Loss)	
Investment Securities Sold ^{1,2}	2,782,977
Futures Contracts	(27,234)
Swap Contracts	2,186
Realized Net Gain (Loss)	2,757,929
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	(5,755,218)
Futures Contracts	8,999
Swap Contracts	(317)
Change in Unrealized Appreciation (Depreciation)	(5,746,536)
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,508,482)

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$3,463,000, (\$3,000), less than \$1,000, and \$23,000, respectively. Purchases and sales are for temporary cash investment purposes.

² Includes \$3,222,592,000 of net gain (loss) resulting from in-kind redemptions.

Statement of Changes in Net Assets

	Year Ended January 31,	
	2023 (\$000)	2022 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	1,480,125	1,283,185
Realized Net Gain (Loss)	2,757,929	7,696,290
Change in Unrealized Appreciation (Depreciation)	(5,746,536)	3,906,835
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,508,482)	12,886,310
Distributions		
ETF Shares	(1,250,613)	(1,043,492)
Admiral Shares	(233,770)	(206,613)
Total Distributions	(1,484,383)	(1,250,105)
Capital Share Transactions		
ETF Shares	2,946,879	4,113,142
Admiral Shares	87,399	215,802
Net Increase (Decrease) from Capital Share Transactions	3,034,278	4,328,944
Total Increase (Decrease)	41,413	15,965,149
Net Assets		
Beginning of Period	78,491,821	62,526,672
End of Period	78,533,234	78,491,821

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

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$162.69	\$137.11	\$125.38	\$104.09	\$107.10
Investment Operations					
Net Investment Income ¹	2.982	2.736	2.299	2.214	2.084
Net Realized and Unrealized Gain (Loss) on Investments	(6.439)	25.504	11.728	21.210	(3.056)
Total from Investment Operations	(3.457)	28.240	14.027	23.424	(.972)
Distributions					
Dividends from Net Investment Income	(2.973)	(2.660)	(2.297)	(2.134)	(2.038)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(2.973)	(2.660)	(2.297)	(2.134)	(2.038)
Net Asset Value, End of Period	\$156.26	\$162.69	\$137.11	\$125.38	\$104.09
Total Return	-2.02%	20.71%	11.44%	22.68%	-0.87%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$66,062	\$65,589	\$51,842	\$42,217	\$30,969
Ratio of Total Expenses to Average Net Assets	0.06% ²	0.06%	0.06%	0.06%	0.06%
Ratio of Net Investment Income to Average Net Assets	1.96%	1.74%	1.84%	1.90%	2.01%
Portfolio Turnover Rate ³	12%	26%	25%	14%	16%

¹ Calculated based on average shares outstanding.

² The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.06%.

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

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended January 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$44.15	\$37.21	\$34.03	\$28.25	\$29.07
Investment Operations					
Net Investment Income ¹	.801	.734	.617	.594	.560
Net Realized and Unrealized Gain (Loss) on Investments	(1.743)	6.920	3.179	5.757	(.830)
Total from Investment Operations	(.942)	7.654	3.796	6.351	(.270)
Distributions					
Dividends from Net Investment Income	(.798)	(.714)	(.616)	(.571)	(.550)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.798)	(.714)	(.616)	(.571)	(.550)
Net Asset Value, End of Period	\$42.41	\$44.15	\$37.21	\$34.03	\$28.25
Total Return²	-2.02%	20.67%	11.44%	22.65%	-0.89%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$12,471	\$12,903	\$10,685	\$9,955	\$6,755
Ratio of Total Expenses to Average Net Assets	0.08% ³	0.08%	0.08%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	1.94%	1.72%	1.82%	1.87%	1.99%
Portfolio Turnover Rate ⁴	12%	26%	25%	14%	16%

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 0.08%.

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

Notes to Financial Statements

Vanguard Dividend Appreciation Index 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: ETF Shares and Admiral Shares. Each of the share classes has different eligibility and minimum purchase requirements, and is designed for different types of investors. ETF Shares are listed for trading on NYSE Arca, Inc.; they can be purchased and sold through a broker.

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.

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

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

2. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

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

During the year ended January 31, 2023, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Swap Contracts:** The fund has entered into equity swap contracts to earn the total return on selected reference stocks in the fund's target index. Under the terms of the swaps, the fund receives the total return on the referenced stock (i.e., receiving the increase or paying the decrease in value of the selected reference stock and receiving the equivalent of any dividends in respect of the selected referenced stock) over a specified period of time, applied to a notional amount that represents the value of a designated number of shares of the selected reference stock at the beginning of the equity swap contract. The fund also pays a floating rate that is based on short-term interest rates, applied to the notional amount. At the same time, the fund generally invests an amount approximating the notional amount of the swap in high-quality temporary cash investments.

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the fund. The fund's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The fund mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the fund may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

The notional amounts of swap contracts are not recorded in the Statement of Assets and Liabilities. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until periodic payments are made or the termination of the swap, at which time realized gain (loss) is recorded.

During the year ended January 31, 2023, the fund's average amounts of investments in total return swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

4. **Federal Income Taxes:** The fund intends to continue to qualify as a regulated investment company and distribute 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.

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 \$4.4 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 January 31, 2023, 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 is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees 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, 2023, the fund had contributed to Vanguard capital in the amount of \$2,921,000, representing less than 0.01% of the fund's net assets and 1.17% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The fund's custodian bank has agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended January 31, 2023, custodian fee offset arrangements reduced the fund's expenses by \$4,000 (an annual rate of less than 0.01% of average net assets).

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

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

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

Dividend Appreciation Index Fund

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

The following table summarizes the market value of the fund’s investments and derivatives as of January 31, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	78,284,842	—	—	78,284,842
Temporary Cash Investments	159,252	—	—	159,252
Total	78,444,094	—	—	78,444,094
Derivative Financial Instruments				
Assets				
Futures Contracts ¹	3,450	—	—	3,450
Swap Contracts	—	—	—	—
Total	3,450	—	—	3,450
Liabilities				
Swap Contracts	—	315	—	315

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

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 applicable in-kind redemptions and swap agreements were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	3,222,290
Total Distributable Earnings (Loss)	(3,222,290)

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

Dividend Appreciation Index Fund

of unrealized gains or losses from certain derivative contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	125,286
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(2,492,949)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	18,344,241

The tax character of distributions paid was as follows:

	Year Ended January 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	1,484,383	1,250,105
Long-Term Capital Gains	—	—
Total	1,484,383	1,250,105

* Includes short-term capital gains, if any.

As of January 31, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	60,099,853
Gross Unrealized Appreciation	20,171,860
Gross Unrealized Depreciation	(1,827,619)
Net Unrealized Appreciation (Depreciation)	18,344,241

F. During the year ended January 31, 2023, the fund purchased \$19,080,149,000 of investment securities and sold \$16,031,896,000 of investment securities, other than temporary cash investments. Purchases and sales include \$9,593,420,000 and \$6,953,201,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

The fund purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended January 31, 2023, such purchases were \$795,326,000 and sales were \$726,474,000, resulting in net realized loss of \$34,386,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Year Ended January 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
ETF Shares				
Issued	9,908,220	64,894	22,417,718	148,569
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(6,961,341)	(45,275)	(18,304,576)	(123,525)
Net Increase (Decrease)—ETF Shares	2,946,879	19,619	4,113,142	25,044
Admiral Shares				
Issued	1,662,170	40,062	1,970,820	46,680
Issued in Lieu of Cash Distributions	199,774	4,966	176,877	4,201
Redeemed	(1,774,545)	(43,189)	(1,931,895)	(45,799)
Net Increase (Decrease)—Admiral Shares	87,399	1,839	215,802	5,082

H. Management has determined that no events or transactions occurred subsequent to January 31, 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 Specialized Funds and Shareholders of Vanguard Dividend Appreciation Index Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vanguard Dividend Appreciation Index Fund (one of the funds constituting Vanguard Specialized Funds, referred to hereafter as the "Fund") as of January 31, 2023, the related statement of operations for the year ended January 31, 2023, the statement of changes in net assets for each of the two years in the period ended January 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended January 31, 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 January 31, 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 January 31, 2023 and the financial highlights for each of the five years in the period ended January 31, 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 January 31, 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
March 23, 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, 97.0%, 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 \$1,484,383,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

The fund hereby designates \$996,000, 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.

The "S&P U.S. Dividend Growers Index" is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJ"), and has been licensed for use by Vanguard. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by Vanguard. Vanguard Dividend Appreciation Index Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices make no representation or warranty, express or implied, to the owners of Vanguard Dividend Appreciation Index Fund or any member of the public regarding the advisability of investing in securities generally or in Vanguard Dividend Appreciation Index Fund particularly or the ability of the S&P U.S. Dividend Growers Index to track general market performance. S&P Dow Jones Indices' only relationship to Vanguard with respect to the S&P U.S. Dividend Growers Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P U.S. Dividend Growers Index is determined, composed and calculated by S&P Dow Jones Indices without regard to Vanguard or Vanguard Dividend Appreciation Index Fund. S&P Dow Jones Indices have no obligation to take the needs of Vanguard or the owners of Vanguard Dividend Appreciation Index Fund into consideration in determining, composing or calculating the S&P U.S. Dividend Growers Index. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of Vanguard Dividend Appreciation Index Fund or the timing of the issuance or sale of Vanguard Dividend Appreciation Index Fund or in the determination or calculation of the equation by which Vanguard Dividend Appreciation Index Fund is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Vanguard Dividend Appreciation Index Fund. There is no assurance that investment products based on the S&P U.S. Dividend Growers Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

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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 206 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. 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, 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). Chairman of the board of Hillenbrand, Inc. (global industrial company). 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

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.

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

Scott C. Malpass

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (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 Corporation Ltd. (climate policy advisory services). Member of the board of directors of Arcadia Corporation (energy solution technology).

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).

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.

Vanguard Senior Management Team

Matthew Benchener	Thomas M. Rampulla
Joseph Brennan	Karin A. Risi
Mortimer J. Buckley	Anne E. Robinson
Gregory Davis	Michael Rollings
John James	Nitin Tandon
Chris D. McIsaac	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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