

**Semiannual Report** | April 30, 2021

# Vanguard High Dividend Yield Index Fund

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# About Your Fund's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended April 30, 2021

	Beginning Account Value 10/31/2020	Ending Account Value 4/30/2021	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
High Dividend Yield Index Fund			
ETF Shares	\$1,000.00	\$1,323.80	\$0.35
Admiral™ Shares	1,000.00	1,323.50	0.46
<b>Based on Hypothetical 5% Yearly Return</b>			
High Dividend Yield Index Fund			
ETF Shares	\$1,000.00	\$1,024.50	\$0.30
Admiral Shares	1,000.00	1,024.40	0.40

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 (181/365).

# High Dividend Yield Index Fund

## Fund Allocation

As of April 30, 2021

Basic Materials	4.4%
Consumer Discretionary	8.4
Consumer Staples	12.8
Energy	6.6
Financials	22.1
Health Care	12.1
Industrials	10.2
Real Estate	0.0
Technology	7.8
Telecommunications	7.4
Utilities	8.2

The table reflects the fund's investments, except for short-term investments and derivatives. Sector categories are based on the Industry Classification Benchmark ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB 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.

The Industry Classification Benchmark ("ICB") is owned by FTSE. FTSE does not accept any liability to any person for any loss or damage arising out of any error or omission in the ICB.

# Financial Statements (unaudited)

## Schedule of Investments

As of April 30, 2021

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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.7%)</b>			<b>Carpenter Technology Corp.</b>		
<b>Basic Materials (4.4%)</b>			166,692	6,313	
Linde plc	1,865,701	533,292	<b>Schweitzer-Mauduit International Inc.</b>		
Air Products and Chemicals Inc.	785,061	226,474	109,043	4,980	
Newmont Corp.	2,847,892	177,737	<b>2,052,920</b>		
Dow Inc.	2,654,360	165,898	<b>Consumer Discretionary (8.4%)</b>		
International Flavors & Fragrances Inc.	881,134	125,271	Home Depot Inc.	3,814,944	1,234,783
Fastenal Co.	2,031,151	106,189	Walmart Inc.	4,947,390	692,189
LyondellBasell Industries NV Class A	910,316	94,436	McDonald's Corp.	2,643,317	624,034
Nucor Corp.	1,069,861	88,007	Target Corp.	1,776,281	368,152
International Paper Co.	1,396,942	81,023	VF Corp.	1,144,136	100,295
Celanese Corp.	404,476	63,361	Best Buy Co. Inc.	809,906	94,168
Eastman Chemical Co.	478,944	55,265	ViacomCBS Inc. Class B	1,989,983	81,629
Steel Dynamics Inc.	707,613	38,367	Garmin Ltd.	531,472	72,939
CF Industries Holdings Inc.	753,800	36,657	Genuine Parts Co.	500,153	62,504
Reliance Steel & Aluminum Co.	223,869	35,888	Omnicom Group Inc.	757,079	62,277
Scotts Miracle-Gro Co.	143,018	33,060	Whirlpool Corp.	222,154	52,528
Olin Corp.	503,274	21,656	Williams-Sonoma Inc.	271,260	46,318
Huntsman Corp.	706,887	20,266	Hasbro Inc.	453,850	45,135
Southern Copper Corp.	291,258	20,216	Interpublic Group of Cos. Inc.	1,371,645	43,550
Timken Co.	223,586	18,752	Newell Brands Inc.	1,355,777	36,552
Chemours Co.	576,492	17,410	Nielsen Holdings plc	1,257,618	32,258
Avient Corp.	320,734	16,284	Polaris Inc.	204,973	28,702
Sensient Technologies Corp.	148,924	12,248	Hanesbrands Inc.	1,223,830	25,774
Commercial Metals Co.	417,453	12,198	Leggett & Platt Inc.	466,067	23,150
Cabot Corp.	196,645	10,792	Foot Locker Inc.	364,460	21,496
Compass Minerals International Inc.	119,849	8,140	Travel + Leisure Co.	296,449	19,130
Tronox Holdings plc Class A	381,811	8,094	TEGNA Inc.	769,903	15,444
Worthington Industries Inc.	122,519	7,996	H&R Block Inc.	649,098	14,449
Kaiser Aluminum Corp.	55,204	6,650	LCI Industries	86,515	12,674
			Extended Stay America Inc.	624,577	12,423
			MDC Holdings Inc.	206,830	12,133
			Kontoor Brands Inc.	180,480	11,340
			Penske Automotive Group Inc.	112,128	9,833
			Rent-A-Center Inc.	170,080	9,788
			Big Lots Inc.	130,379	8,988
			John Wiley & Sons Inc. Class A	152,349	8,675

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
HNI Corp.	149,585	6,333	Chevron Corp.	6,836,827	704,672
Sinclair Broadcast Group Inc. Class A	155,024	5,034	ConocoPhillips	4,821,638	246,579
Steelcase Inc. Class A	302,681	4,177	EOG Resources Inc.	2,067,120	152,223
			Schlumberger NV	4,967,581	134,373
		<b>3,898,854</b>	Marathon Petroleum Corp.	2,296,336	127,791
<b>Consumer Staples (12.8%)</b>			Phillips 66	1,548,012	125,250
Procter & Gamble Co.	8,656,238	1,154,915	Kinder Morgan Inc.	6,934,970	118,241
Coca-Cola Co.	13,737,152	741,531	Valero Energy Corp.	1,446,882	107,011
PepsiCo Inc.	4,928,718	710,524	Williams Cos. Inc.	4,334,681	105,593
Philip Morris International Inc.	5,528,282	525,187	ONEOK Inc.	1,579,258	82,658
CVS Health Corp.	4,643,756	354,783	Diamondback Energy Inc.	598,525	48,917
Altria Group Inc.	6,601,245	315,209	Devon Energy Corp.	2,080,808	48,649
Mondelez International Inc. Class A	4,956,071	301,379	Baker Hughes Co.	2,317,818	46,542
Colgate-Palmolive Co.	2,993,189	241,550	Cimarex Energy Co.	354,570	23,473
Kimberly-Clark Corp.	1,204,985	160,649	Cabot Oil & Gas Corp.	1,381,341	23,027
Sysco Corp.	1,721,937	145,900	Ovintiv Inc.	918,625	21,983
Walgreens Boots Alliance Inc.	2,567,468	136,333	HollyFrontier Corp.	527,036	18,446
General Mills Inc.	2,153,599	131,068	Equitrans Midstream Corp.	1,440,660	11,756
Archer-Daniels-Midland Co.	1,968,712	124,285	Helmerich & Payne Inc. Antero Midstream Corp.	368,837	9,453
Kroger Co.	2,709,900	99,020		1,012,666	8,749
Kraft Heinz Co.	2,299,744	94,956	Murphy Oil Corp.	513,465	8,693
Hershey Co.	521,042	85,607	Archrock Inc.	455,492	4,254
Clorox Co.	448,505	81,852			<b>3,038,538</b>
Tyson Foods Inc. Class A	1,021,470	79,113	<b>Financials (22.0%)</b>		
Conagra Brands Inc.	1,746,366	64,773	JPMorgan Chase & Co.	10,761,520	1,655,229
Kellogg Co.	886,431	55,331	Bank of America Corp.	27,502,024	1,114,657
J M Smucker Co.	395,868	51,855	Wells Fargo & Co.	13,476,800	607,130
Hormel Foods Corp.	993,540	45,901	Citigroup Inc.	7,394,278	526,768
Bunge Ltd.	478,782	40,419	Morgan Stanley	4,964,834	409,847
Coca-Cola European Partners plc	701,522	39,860	BlackRock Inc.	422,927	346,504
Campbell Soup Co.	689,003	32,900	US Bancorp	4,822,431	286,211
Ingredion Inc.	236,964	22,135	Truist Financial Corp.	4,778,643	283,421
Flowers Foods Inc.	687,835	16,480	PNC Financial Services Group Inc.	1,504,709	281,305
Spectrum Brands Holdings Inc.	148,218	13,064	Chubb Ltd.	1,598,096	274,217
Energizer Holdings Inc.	239,284	11,797	CME Group Inc.	1,259,582	254,423
Nu Skin Enterprises Inc. Class A	178,065	9,412	Progressive Corp.	2,071,689	208,702
Medifast Inc.	39,636	9,001	MetLife Inc.	2,684,990	170,846
B&G Foods Inc.	223,922	6,534	American International Group Inc.	3,076,163	149,040
Vector Group Ltd.	490,237	6,398	T. Rowe Price Group Inc.	801,916	143,703
Reynolds Consumer Products Inc.	172,580	5,060	Bank of New York Mellon Corp.	2,831,803	141,250
Universal Corp.	85,325	4,798	Prudential Financial Inc.	1,402,966	140,802
Weis Markets Inc.	34,064	1,766	Travelers Cos. Inc.	897,424	138,796
		<b>5,921,345</b>	Aflac Inc.	2,431,364	130,637
			Discover Financial Services	1,093,738	124,686
<b>Energy (6.6%)</b>			Ameriprise Financial Inc.	418,949	108,256
Exxon Mobil Corp.	15,028,032	860,205	State Street Corp.	1,248,806	104,837

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Fifth Third Bancorp	2,531,759	102,638	Evercore Inc. Class A	139,444	19,540
Arthur J Gallagher & Co.	685,736	99,397	Ares Management Corp. Class A	369,345	19,398
Hartford Financial Services Group Inc.	1,262,406	83,268	Valley National Bancorp	1,398,641	19,259
Northern Trust Corp.	682,532	77,672	New York Community Bancorp Inc.	1,587,788	18,990
Regions Financial Corp.	3,492,792	76,143	CIT Group Inc.	346,272	18,453
KeyCorp	3,432,827	74,698	MGIC Investment Corp.	1,192,113	18,168
M&T Bank Corp.	455,278	71,793	PacWest Bancorp	411,960	17,883
Citizens Financial Group Inc.	1,539,464	71,246	Carlyle Group Inc.	416,024	17,748
Ally Financial Inc.	1,318,990	67,862	Bank OZK	431,012	17,667
Principal Financial Group Inc.	958,952	61,248	Hanover Insurance Group Inc.	127,716	17,664
Cincinnati Financial Corp.	528,567	59,559	United Bankshares Inc.	434,553	17,065
Huntington Bancshares Inc.	3,644,516	55,834	Webster Financial Corp.	316,038	16,722
Equitable Holdings Inc.	1,416,819	48,498	Axis Capital Holdings Ltd.	292,796	16,338
Fidelity National Financial Inc.	968,485	44,182	Lazard Ltd. Class A	356,018	16,017
Lincoln National Corp.	679,892	43,601	OneMain Holdings Inc.	275,149	15,648
Everest Re Group Ltd.	139,044	38,508	RLI Corp.	138,851	15,476
East West Bancorp Inc.	497,684	37,899	BankUnited Inc.	322,174	15,017
Comerica Inc.	491,102	36,911	Home BancShares Inc.	536,920	14,942
Invesco Ltd.	1,331,052	35,938	FNB Corp.	1,138,520	14,676
First Horizon Corp.	1,926,311	35,232	Umpqua Holdings Corp.	776,814	14,480
Credicorp Ltd.	282,705	33,755	Community Bank System Inc.	185,684	14,415
Apollo Global Management Inc.	601,092	33,282	Assured Guaranty Ltd.	275,333	14,001
Assurant Inc.	206,856	32,187	Hancock Whitney Corp.	302,771	14,000
Zions Bancorp NA	569,956	31,804	CNO Financial Group Inc.	518,554	13,239
Reinsurance Group of America Inc.	239,064	31,205	Bank of Hawaii Corp.	139,188	12,651
American Financial Group Inc.	251,562	30,907	First Hawaiian Inc.	457,537	12,564
Franklin Resources Inc.	975,977	29,279	Pacific Premier Bancorp Inc.	280,654	12,357
People's United Financial Inc.	1,493,094	27,070	Houlihan Lokey Inc. Class A	181,280	12,013
Jefferies Financial Group Inc.	782,582	25,442	Investors Bancorp Inc.	809,760	11,855
First American Financial Corp.	382,930	24,699	Associated Banc-Corp	535,142	11,714
Old Republic International Corp.	998,835	24,591	Walker & Dunlop Inc.	99,308	11,008
TCF Financial Corp.	532,519	24,240	Columbia Banking System Inc.	252,045	10,972
Synovus Financial Corp.	516,147	24,187	Old National Bancorp	575,593	10,879
Cullen/Frost Bankers Inc.	197,612	23,725	Navient Corp.	645,607	10,866
Prosperity Bancshares Inc.	315,124	23,118	Simmons First National Corp. Class A	379,908	10,827
Popular Inc.	292,864	21,660	Cathay General Bancorp	266,634	10,793
Janus Henderson Group plc	610,957	21,011	Atlantic Union Bankshares Corp.	273,600	10,580
South State Corp.	245,552	20,705	BancorpSouth Bank	347,572	10,285
Unum Group	717,589	20,279	Moelis & Co. Class A	185,493	10,069
Glacier Bancorp Inc.	336,180	19,818	Artisan Partners Asset Management Inc. Class A	196,342	9,998
			Independent Bank Group Inc.	129,974	9,814



## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
BOK Financial Corp.	110,708	9,736	Safety Insurance Group Inc.	50,174	4,116
Cadence Bancorp Class A	432,837	9,631	Stock Yards Bancorp Inc.	71,795	3,673
CVB Financial Corp.	453,714	9,623	Berkshire Hills Bancorp Inc.	158,316	3,513
Federated Hermes Inc. Class B	333,756	9,612	TFS Financial Corp.	172,459	3,373
Fulton Financial Corp.	557,291	9,502	Kearny Financial Corp.	263,924	3,373
First Bancorp	755,716	9,499	WisdomTree Investments Inc.	488,917	3,317
United Community Banks Inc.	274,200	8,972	American National Group Inc.	26,802	3,038
First Merchants Corp.	189,448	8,754	Washington Trust Bancorp Inc.	58,893	3,007
Washington Federal Inc.	264,974	8,625	1st Source Corp.	57,361	2,730
First Midwest Bancorp Inc.	400,276	8,394	Community Trust Bancorp Inc.	55,244	2,462
First Financial Bancorp	340,389	8,343	FBL Financial Group Inc. Class A	33,930	1,924
WesBanco Inc.	228,855	8,305	Republic Bancorp Inc. Class A	41,003	1,842
Renasant Corp.	191,148	8,053	State Auto Financial Corp.	61,464	1,160
Sandy Spring Bancorp Inc.	161,727	7,336			<b>10,229,143</b>
Towne Bank	235,064	7,282	<b>Health Care (12.0%)</b>		
Trustmark Corp.	221,187	7,169	Johnson & Johnson	9,368,925	1,524,605
Banner Corp.	121,976	6,933	Pfizer Inc.	19,757,495	763,627
Bank of NT Butterfield & Son Ltd.	175,973	6,902	AbbVie Inc.	6,255,835	697,526
Virtu Financial Inc. Class A	223,514	6,623	Merck & Co. Inc.	8,980,617	669,056
Hope Bancorp Inc.	412,232	6,188	Eli Lilly & Co.	2,991,540	546,764
Mercury General Corp.	96,319	5,998	Bristol-Myers Squibb Co.	8,042,322	502,002
Argo Group International Holdings Ltd.	113,888	5,943	Amgen Inc.	2,070,863	496,262
Capitol Federal Financial Inc.	457,358	5,911	Gilead Sciences Inc.	4,459,039	283,015
Provident Financial Services Inc.	249,085	5,871	Cardinal Health Inc.	1,040,579	62,789
Horace Mann Educators Corp.	145,411	5,831	Perrigo Co. plc	481,276	20,035
Cohen & Steers Inc.	85,621	5,824	Patterson Cos. Inc.	297,695	9,568
Westamerica Bancorp	91,359	5,792	Healthcare Services Group Inc.	262,120	7,850
Northwest Bancshares Inc.	411,551	5,778			<b>5,583,099</b>
NBT Bancorp Inc.	149,390	5,660	<b>Industrials (10.2%)</b>		
Waddell & Reed Financial Inc. Class A	215,714	5,389	United Parcel Service Inc. Class B	2,544,943	518,812
First Commonwealth Financial Corp.	335,645	4,864	Caterpillar Inc.	1,924,213	438,932
CNA Financial Corp.	98,807	4,637	Raytheon Technologies Corp.	5,065,165	421,624
BancFirst Corp.	65,872	4,579	3M Co.	1,997,648	393,816
S&T Bancorp Inc.	135,749	4,473	Lockheed Martin Corp.	877,421	333,911
Brookline Bancorp Inc.	272,365	4,385	Automatic Data Processing Inc.	1,524,728	285,109
City Holding Co.	56,261	4,355	Illinois Tool Works Inc.	1,117,230	257,477
Boston Private Financial Holdings Inc.	287,745	4,236	Eaton Corp. plc	1,423,791	203,502
Employers Holdings Inc.	103,708	4,198	Emerson Electric Co.	2,111,262	191,048
			General Dynamics Corp.	906,201	172,387

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Johnson Controls International plc	2,578,501	160,744	Broadcom Inc.	1,402,851	639,981
L3Harris Technologies Inc.	743,873	155,641	Texas Instruments Inc.	3,260,963	588,636
DuPont de Nemours Inc.	1,905,838	146,959	QUALCOMM Inc.	3,998,770	555,029
Cummins Inc.	522,568	131,708	International Business Machines Corp.	3,156,098	447,787
Paychex Inc.	1,138,255	110,969	HP Inc.	4,611,812	157,309
PACCAR Inc.	1,203,261	108,149	Corning Inc.	2,664,242	117,786
Synchrony Financial	2,085,576	91,223	Hewlett Packard Enterprise Co.	4,555,372	72,977
Westrock Co.	920,654	51,327	Seagate Technology plc	731,730	67,934
Packaging Corp. of America	330,693	48,827	NetApp Inc.	781,628	58,380
CH Robinson Worldwide Inc.	472,656	45,885	NortonLifeLock Inc.	1,926,016	41,621
Snap-on Inc.	189,944	45,131	National Instruments Corp.	454,777	18,832
RPM International Inc.	451,299	42,801	Avnet Inc.	346,072	15,200
Western Union Co.	1,447,646	37,291	Xerox Holdings Corp.	594,854	14,360
Hubbell Inc. Class B	190,710	36,618			<b>3,634,160</b>
Watsco Inc.	115,020	33,685	<b>Telecommunications (7.4%)</b>		
Huntington Ingalls Industries Inc.	139,404	29,598	Comcast Corp. Class A	16,108,835	904,511
ManpowerGroup Inc.	204,428	24,713	Verizon Communications Inc.	14,716,716	850,479
MDU Resources Group Inc.	703,684	23,545	AT&T Inc.	25,338,574	795,885
Sonoco Products Co.	353,538	23,143	Cisco Systems Inc.	15,083,401	767,896
Flowserve Corp.	459,278	18,206	Lumen Technologies Inc.	3,862,930	49,561
nVent Electric plc	548,574	16,704	Juniper Networks Inc.	1,160,688	29,470
Crane Co.	171,780	16,158	Cogent Communications Holdings Inc.	149,161	11,263
Ryder System Inc.	184,983	14,769	Telephone & Data Systems Inc.	355,070	8,160
MSC Industrial Direct Co. Inc. Class A	162,191	14,623			<b>3,417,225</b>
ABM Industries Inc.	235,276	12,096	<b>Utilities (8.1%)</b>		
GATX Corp.	122,220	11,942	NextEra Energy Inc.	6,949,954	538,691
Kennametal Inc.	291,491	11,706	Duke Energy Corp.	2,608,460	262,646
Triton International Ltd.	212,116	10,642	Southern Co.	3,741,796	247,595
McGrath RentCorp	84,694	6,943	Dominion Energy Inc.	2,888,343	230,779
Otter Tail Corp.	142,298	6,721	Waste Management Inc.	1,497,627	206,627
Granite Construction Inc.	164,622	6,272	American Electric Power Co. Inc.	1,766,407	156,698
Greif Inc. Class A	90,176	5,457	Exelco Corp.	3,460,769	155,527
Greenbrier Cos. Inc.	112,362	5,308	Sempra Energy	1,027,777	141,391
ADT Inc.	543,160	4,996	Xcel Energy Inc.	1,878,505	133,937
H&E Equipment Services Inc.	112,491	4,376	Public Service Enterprise Group Inc.	1,792,292	113,201
Atlas Corp.	289,025	3,983	WEC Energy Group Inc.	1,125,093	109,325
Scorpio Tankers Inc.	175,488	3,183	Eversource Energy	1,218,031	105,019
Apogee Enterprises Inc.	88,740	3,117	DTE Energy Co.	681,811	95,467
SFL Corp. Ltd.	324,994	2,522	Consolidated Edison Inc.	1,217,823	94,272
		<b>4,744,299</b>	PPL Corp.	2,737,832	79,753
<b>Real Estate (0.0%)</b>			Energy Corp.	714,290	78,065
Kennedy-Wilson Holdings Inc.	423,972	8,713	Edison International	1,279,510	76,067
<b>Technology (7.8%)</b>			Ameren Corp.	875,265	74,257
Intel Corp.	14,572,022	838,328	FirstEnergy Corp.	1,929,477	73,166

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
AES Corp.	2,334,525	64,946	Atlantica Sustainable Infrastructure plc	209,282	8,068
CMS Energy Corp.	1,008,605	64,944	Covanta Holding Corp.	416,160	6,259
Eergy Inc.	799,322	51,133	SJW Group	92,440	6,059
Alliant Energy Corp.	881,953	49,539	Northwest Natural Holding Co.	106,937	5,766
Atmos Energy Corp.	452,985	46,925	Clearway Energy Inc. Class A	119,189	3,168
CenterPoint Energy Inc.	1,778,504	43,555			<b>3,773,934</b>
Essential Utilities Inc.	888,568	41,878			
NiSource Inc.	1,351,432	35,164			
Pinnacle West Capital Corp.	397,270	33,629			
UGI Corp.	734,134	32,089	<b>Total Common Stocks</b>		<b>46,302,230</b>
NRG Energy Inc.	858,654	30,757	<b>(Cost \$36,279,285)</b>		
Vistra Corp.	1,722,453	29,058	<b>Temporary Cash Investments (0.2%)</b>		
OGE Energy Corp.	705,296	23,670			
IDACORP Inc.	177,810	18,222	<b>Money Market Fund (0.2%)</b>		
Hawaiian Electric Industries Inc.	377,666	16,262	<sup>2,3</sup> Vanguard Market Liquidity Fund, 0.068%		
Portland General Electric Co.	315,863	16,065	<b>(Cost \$102,328)</b>	1,023,282	<b>102,328</b>
National Fuel Gas Co.	306,745	15,233	<b>Total Investments (99.9%)</b>		<b>46,404,558</b>
Black Hills Corp.	220,827	15,233	<b>(Cost \$36,381,613)</b>		
PNM Resources Inc.	300,418	14,829	<b>Other Assets and Liabilities—Net (0.1%)</b>		<b>67,338</b>
ONE Gas Inc.	184,040	14,810			
New Jersey Resources Corp.	334,554	14,034	<b>Net Assets (100%)</b>		<b>46,471,896</b>
Southwest Gas Holdings Inc.	199,886	13,936			
Spire Inc.	176,161	13,272			
ALLETE Inc.	182,897	12,869			
NorthWestern Corp.	178,244	12,126			
Avista Corp.	241,388	11,109			
Avangrid Inc.	200,078	10,184			
MGE Energy Inc.	127,616	9,547			
South Jersey Industries Inc.	354,036	8,762			
Clearway Energy Inc. Class C	291,066	8,351			

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 \$6,157,000.

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

3 Collateral of \$6,541,000 was received for securities on loan.

## Derivative Financial Instruments Outstanding as of Period End

## Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
E-mini S&P 500 Index	June 2021	441	92,046	1,803

## Over-the-Counter Total Return Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Floating Interest Rate Received (Paid) <sup>1</sup> (%)	Value and Unrealized Appreciation (\$000)	Value and Unrealized Depreciation (\$000)
BlackRock Inc.	2/2/22	GSI	81,784	(0.115)	143	—

<sup>1</sup> Based on 1M USD London Interbank Offered Rate (LIBOR) as of the most recent payment date. Floating interest payment received/paid monthly.

1M—1-month.

GSI—Goldman Sachs International.

At April 30, 2021, the counterparties had deposited in segregated accounts security with a value of \$991,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of April 30, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$36,279,285)	46,302,230
Affiliated Issuers (Cost \$102,328)	102,328
Total Investments in Securities	46,404,558
Investment in Vanguard	1,660
Cash	238
Cash Collateral Pledged—Futures Contracts	4,852
Receivables for Accrued Income	74,106
Receivables for Capital Shares Issued	12,347
Unrealized Appreciation—Over-the-Counter Swap Contracts	143
<b>Total Assets</b>	<b>46,497,904</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	13,109
Collateral for Securities on Loan	6,541
Payables for Capital Shares Redeemed	4,484
Payables to Vanguard	1,235
Variation Margin Payable—Futures Contracts	639
<b>Total Liabilities</b>	<b>26,008</b>
<b>Net Assets</b>	<b>46,471,896</b>

At April 30, 2021, net assets consisted of:

Paid-in Capital	37,574,429
Total Distributable Earnings (Loss)	8,897,467
<b>Net Assets</b>	<b>46,471,896</b>

## ETF Shares—Net Assets

Applicable to 348,308,762 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	36,089,540
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$103.61</b>

## Admiral Shares—Net Assets

Applicable to 332,306,650 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	10,382,356
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$31.24</b>

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

# Statement of Operations

Six Months Ended  
April 30, 2021

(\$'000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends	664,139
Interest <sup>1</sup>	41
Securities Lending—Net	618
<b>Total Income</b>	<b>664,798</b>
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	1,282
Management and Administrative—ETF Shares	7,886
Management and Administrative—Admiral Shares	3,138
Marketing and Distribution—ETF Shares	605
Marketing and Distribution—Admiral Shares	170
Custodian Fees	185
Shareholders' Reports—ETF Shares	77
Shareholders' Reports—Admiral Shares	45
Trustees' Fees and Expenses	4
<b>Total Expenses</b>	<b>13,392</b>
<b>Net Investment Income</b>	<b>651,406</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1,2</sup>	926,021
Futures Contracts	18,032
Swap Contracts	17,890
<b>Realized Net Gain (Loss)</b>	<b>961,943</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	9,528,773
Futures Contracts	3,807
Swap Contracts	4,849
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>9,537,429</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>11,150,778</b>

1 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$39,000, \$2,000, and (\$2,000), respectively. Purchases and sales are for temporary cash investment purposes.

2 Includes \$1,130,060,000 of the net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended April 30, 2021	Year Ended October 31, 2020
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	651,406	1,242,802
Realized Net Gain (Loss)	961,943	(23,588)
Change in Unrealized Appreciation (Depreciation)	9,537,429	(4,440,201)
Net Increase (Decrease) in Net Assets Resulting from Operations	11,150,778	(3,220,987)
<b>Distributions</b>		
ETF Shares	(504,538)	(938,468)
Admiral Shares	(141,465)	(282,080)
Total Distributions	(646,003)	(1,220,548)
<b>Capital Share Transactions</b>		
Investor Shares	—	(5,748)
ETF Shares	1,646,520	2,846,525
Admiral Shares	377,007	(91,604)
Net Increase (Decrease) from Capital Share Transactions	2,023,527	2,749,173
Total Increase (Decrease)	12,528,302	(1,692,362)
<b>Net Assets</b>		
Beginning of Period	33,943,594	35,635,956
End of Period	46,471,896	33,943,594

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

## Financial Highlights

### ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2021	Year Ended October 31,				
		2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$79.49</b>	<b>\$89.60</b>	<b>\$83.26</b>	<b>\$82.46</b>	<b>\$71.19</b>	<b>\$67.88</b>
<b>Investment Operations</b>						
Net Investment Income	1.482 <sup>1</sup>	2.950 <sup>1</sup>	2.891 <sup>1</sup>	2.623 <sup>1</sup>	2.394 <sup>1</sup>	2.203
Net Realized and Unrealized Gain (Loss) on Investments	24.104	(10.184)	6.251	.731	11.301	3.245
Total from Investment Operations	25.586	(7.234)	9.142	3.354	13.695	5.448
<b>Distributions</b>						
Dividends from Net Investment Income	(1.466)	(2.876)	(2.802)	(2.554)	(2.425)	(2.138)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.466)	(2.876)	(2.802)	(2.554)	(2.425)	(2.138)
<b>Net Asset Value, End of Period</b>	<b>\$103.61</b>	<b>\$79.49</b>	<b>\$89.60</b>	<b>\$83.26</b>	<b>\$82.46</b>	<b>\$71.19</b>
<b>Total Return</b>	<b>32.38%</b>	<b>-8.17%</b>	<b>11.31%</b>	<b>4.05%</b>	<b>19.46%</b>	<b>8.18%</b>
<b>Ratios/Supplemental Data</b>						
Net Assets, End of Period (Millions)	\$36,090	\$26,279	\$26,816	\$21,328	\$20,010	\$15,497
Ratio of Total Expenses to Average Net Assets	0.06%	0.06%	0.06%	0.06%	0.08%	0.08%
Ratio of Net Investment Income to Average Net Assets	3.12%	3.53%	3.38%	3.08%	3.07%	3.26%
Portfolio Turnover Rate <sup>2</sup>	7%	11%	7%	13%	9%	7%

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

1 Calculated based on average shares outstanding.

2 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	Six Months Ended April 30, 2021	Year Ended October 31, 2020	February 7, 2019 <sup>1</sup> to October 31, 2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$23.97</b>	<b>\$27.02</b>	<b>\$25.00</b>
<b>Investment Operations</b>			
Net Investment Income <sup>2</sup>	.444	.887	.624
Net Realized and Unrealized Gain (Loss) on Investments	7.265	(3.075)	2.010
Total from Investment Operations	7.709	(2.188)	2.634
<b>Distributions</b>			
Dividends from Net Investment Income	(.439)	(.862)	(.614)
Distributions from Realized Capital Gains	—	—	—
Total Distributions	(.439)	(.862)	(.614)
<b>Net Asset Value, End of Period</b>	<b>\$31.24</b>	<b>\$23.97</b>	<b>\$27.02</b>
<b>Total Return<sup>3</sup></b>	<b>32.35%</b>	<b>-8.19%</b>	<b>10.64%</b>
<b>Ratios/Supplemental Data</b>			
Net Assets, End of Period (Millions)	\$10,382	\$7,665	\$8,814
Ratio of Total Expenses to Average Net Assets	0.08%	0.08%	0.08% <sup>4</sup>
Ratio of Net Investment Income to Average Net Assets	3.10%	3.52%	3.24% <sup>4</sup>
Portfolio Turnover Rate <sup>5</sup>	7%	11%	7% <sup>6</sup>

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

1 Inception.

2 Calculated based on average shares outstanding.

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

4 Annualized.

5 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.

6 Reflects the fund's portfolio turnover for the fiscal year ended October 31, 2019.

## Notes to Financial Statements

Vanguard High Dividend Yield 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; they can be purchased and sold through a broker. Prior to November 7, 2019, the fund offered Investor Shares. Effective at the close of business on November 7, 2019, the remaining Investor Shares were converted to Admiral Shares.

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially 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 board of trustees to represent fair value. 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 six months ended April 30, 2021, 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 six months ended April 30, 2021, 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 all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is

generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

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

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

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

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and

borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended April 30, 2021, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. 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 April 30, 2021, the fund had contributed to Vanguard capital in the amount of \$1,660,000, representing less than 0.01% of the fund's net assets and 0.66% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

## High Dividend Yield Index Fund

The following table summarizes the market value of the fund's investments and derivatives as of April 30, 2021, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
<b>Investments</b>				
<b>Assets</b>				
Common Stocks	46,302,230	—	—	46,302,230
Temporary Cash Investments	102,328	—	—	102,328
Total	46,404,558	—	—	46,404,558
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Futures Contracts <sup>1</sup>	1,803	—	—	1,803
Swap Contracts	—	143	—	143
Total	1,803	143	—	1,946

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

D. As of April 30, 2021, 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	36,450,463
Gross Unrealized Appreciation	11,081,726
Gross Unrealized Depreciation	(1,125,685)
Net Unrealized Appreciation (Depreciation)	9,956,041

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at October 31, 2020, the fund had available capital losses totaling \$2,184,173,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending October 31, 2021; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

E. During the six months ended April 30, 2021, the fund purchased \$7,814,812,000 of investment securities and sold \$5,767,515,000 of investment securities, other than temporary cash investments. Purchases and sales include \$4,412,831,000 and \$2,955,874,000, 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 six months ended April 30, 2021, such purchases and sales were \$981,162,000 and \$411,293,000, respectively; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

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

	Six Months Ended April 30, 2021		Year Ended October 31, 2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>Investor Shares</b>				
Issued	—	—	61	2
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed <sup>1</sup>	—	—	(5,809)	(161)
Net Increase (Decrease)—Investor Shares	—	—	(5,748)	(159)
<b>ETF Shares</b>				
Issued	4,614,679	48,024	6,760,136	79,262
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(2,968,159)	(30,300)	(3,913,611)	(47,950)
Net Increase (Decrease)—ETF Shares	1,646,520	17,724	2,846,525	31,312
<b>Admiral Shares</b>				
Issued <sup>1</sup>	1,149,564	39,841	1,888,385	75,452
Issued in Lieu of Cash Distributions	110,519	3,877	220,883	8,834
Redeemed	(883,076)	(31,184)	(2,200,872)	(90,743)
Net Increase (Decrease)—Admiral Shares	377,007	12,534	(91,604)	(6,457)

<sup>1</sup> In November 2018, the fund announced changes to the availability and minimum investment criteria of the Investor and Admiral share classes. As a result, all of the outstanding Investor Shares automatically converted to Admiral Shares beginning in April 2019, with the exception of those held by Vanguard funds and certain other institutional investors. Investor Shares—Redeemed and Admiral Shares—Issued include 4,000 and 5,000 shares, respectively, in the amount of \$91,000 from the conversion during the year ended October 31, 2020.

G. Management has determined that no events or transactions occurred subsequent to April 30, 2021, that would require recognition or disclosure in these financial statements.

# Trustees Approve Advisory Arrangement

The board of trustees of Vanguard High Dividend Yield Index Fund has renewed the fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing the fund's internalized management structure was in the best interests of the fund and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly 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 monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

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

## **Nature, extent, and quality of services**

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

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

## **Investment performance**

The board considered the short- and long-term performance of the fund, including any periods of outperformance or underperformance compared with its target 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 well below the average expense ratio charged by funds in its peer group and that the fund's advisory expenses were also well below the peer-group average.



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

**The benefit of economies of scale**

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

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

# Liquidity Risk Management

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

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

The board of trustees of Vanguard Whitehall Funds approved the appointment of liquidity risk management program administrators responsible for administering Vanguard High Dividend Yield Index Fund’s Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2020, through December 31, 2020 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the fund’s liquidity risk.

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

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U.S. Pat. Nos. 6,879,964; 7,337,138; 7,720,749;  
7,925,573; 8,090,646; 8,417,623; and 8,626,636.  
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Q6232 062021