

**Semiannual Report** | April 30, 2023

# 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, 2023

	Beginning Account Value 10/31/2022	Ending Account Value 4/30/2023	Expenses Paid During Period
<b>Based on Actual Fund Return</b>			
High Dividend Yield Index Fund			
ETF Shares	\$1,000.00	\$1,020.30	\$0.30
Admiral™ Shares	1,000.00	1,020.30	0.40
<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, 2023

Basic Materials	2.4%
Consumer Discretionary	9.3
Consumer Staples	13.8
Energy	10.9
Financials	19.1
Health Care	13.2
Industrials	11.7
Real Estate	0.0
Technology	6.7
Telecommunications	4.9
Utilities	8.0

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.8%)</b>			Ford Motor Co.	17,966,488	213,442
<b>Basic Materials (2.4%)</b>			Genuine Parts Co.	632,221	106,409
Air Products and Chemicals Inc.	1,009,167	297,059	Darden Restaurants Inc.	557,528	84,705
Dow Inc.	3,207,827	174,506	Omnicom Group Inc.	912,418	82,638
Newmont Corp.	3,620,315	171,603	Garmin Ltd.	701,900	68,906
Fastenal Co.	2,621,289	141,130	Best Buy Co. Inc.	900,552	67,109
International Flavors & Fragrances Inc.	1,160,609	112,533	Interpublic Group of Cos. Inc.	1,766,184	63,106
LyondellBasell Industries NV Class A	1,170,208	110,713	<sup>1</sup> Paramount Global Class B	2,075,540	48,422
Reliance Steel & Aluminum Co.	265,917	65,894	Vail Resorts Inc.	183,104	44,040
CF Industries Holdings Inc.	891,182	63,791	Tapestry Inc.	1,075,917	43,908
International Paper Co.	1,617,308	53,549	VF Corp.	1,592,272	37,434
Celanese Corp. Class A	493,018	52,378	Williams-Sonoma Inc.	301,716	36,520
Eastman Chemical Co.	544,425	45,879	Hasbro Inc.	598,531	35,445
Southern Copper Corp.	388,404	29,841	Whirlpool Corp.	242,883	33,904
Huntsman Corp.	829,011	22,209	Advance Auto Parts Inc.	269,814	33,870
Chemours Co.	669,772	19,470	Autoliv Inc.	392,834	33,709
Cabot Corp.	251,528	18,050	Polaris Inc.	250,393	27,205
Avient Corp.	411,654	15,853	H&R Block Inc.	692,068	23,468
Sensient Technologies Corp.	190,304	14,170	Ralph Lauren Corp. Class A	184,495	21,178
Scotts Miracle-Gro Co.	183,598	12,266	Newell Brands Inc.	1,720,653	20,906
Carpenter Technology Corp.	215,782	11,380	Macy's Inc.	1,228,324	20,071
Worthington Industries Inc.	141,830	8,423	Leggett & Platt Inc.	605,002	19,548
Tronox Holdings plc	527,558	7,222	TEGNA Inc.	1,007,096	17,221
Mativ Holdings Inc.	247,174	4,788	Wendy's Co.	775,605	17,141
Kaiser Aluminum Corp.	71,934	4,728	Penske Automotive Group Inc.	117,321	16,258
Linde plc	570	211	Foot Locker Inc.	364,754	15,316
Steel Dynamics Inc.	12	1	Travel + Leisure Co.	362,807	13,885
		<b>1,457,647</b>	LCI Industries	112,365	12,693
<b>Consumer Discretionary (9.3%)</b>			International Game Technology plc	444,113	12,497
Home Depot Inc.	4,649,871	1,397,472	Steven Madden Ltd.	347,845	12,188
McDonald's Corp.	3,371,298	997,061	<sup>1</sup> Sirius XM Holdings Inc.	3,191,327	12,127
Walmart Inc.	6,484,243	978,926	Carter's Inc.	169,541	11,829
Starbucks Corp.	5,227,464	597,447	Kontoor Brands Inc.	251,280	11,350
Target Corp.	2,111,112	333,028	Kohl's Corp.	500,145	11,018
			MDC Holdings Inc.	264,939	10,855
			Cracker Barrel Old Country Store Inc.	99,999	10,616

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Bloomin' Brands Inc.	394,471	9,771	Ingredion Inc.	298,101	31,649
Strategic Education Inc.	102,448	9,015	Flowers Foods Inc.	854,592	23,510
Jack in the Box Inc.	94,108	8,723	Albertsons Cos. Inc.		
Dana Inc.	582,775	8,619	Class A	1,061,798	22,192
Gap Inc.	883,687	8,483	Spectrum Brands		
1 Nordstrom Inc.	510,886	7,898	Holdings Inc.	181,298	12,056
John Wiley & Sons Inc.			Energizer Holdings Inc.	324,452	10,846
Class A	193,619	7,468	Nu Skin Enterprises Inc.		
Cheesecake Factory Inc.	219,967	7,411	Class A	222,021	8,761
Oxford Industries Inc.	67,581	6,974	Vector Group Ltd.	648,733	8,265
Upbound Group Inc.	227,043	6,053	Cal-Maine Foods Inc.	171,841	8,162
Wolverine World			Reynolds Consumer		
Wide Inc.	351,505	5,884	Products Inc.	248,729	6,972
MillerKnoll Inc.	344,945	5,868	Weis Markets Inc.	74,584	6,152
La-Z-Boy Inc.	195,116	5,606	Universal Corp.	108,875	5,976
HNI Corp.	187,038	4,859	B&G Foods Inc.	321,446	5,156
Dine Brands Global Inc.	67,081	4,356	Medifast Inc.	49,356	4,523
Sinclair Broadcast					
Group Inc. Class A	181,527	3,611			<b>8,542,534</b>
Steelcase Inc. Class A	396,472	3,172	<b>Energy (10.9%)</b>		
Guess? Inc.	140,342	2,645	Exxon Mobil Corp.	18,797,341	2,224,477
		<b>5,771,287</b>	Chevron Corp.	8,823,168	1,487,410
<b>Consumer Staples (13.8%)</b>			ConocoPhillips	5,592,743	575,437
Procter & Gamble Co.	10,767,308	1,683,792	EOG Resources Inc.	2,665,311	318,425
PepsiCo Inc.	6,305,841	1,203,722	Schlumberger NV	6,438,138	317,722
Coca-Cola Co.	17,810,853	1,142,566	Marathon Petroleum		
Philip Morris			Corp.	2,065,647	252,009
International Inc.	7,065,755	706,364	Phillips 66	2,122,967	210,174
Mondelez			Valero Energy Corp.	1,752,714	200,984
International Inc.			Williams Cos. Inc.	5,546,939	167,850
Class A	6,214,054	476,742	Kinder Morgan Inc.	9,049,777	155,204
CVS Health Corp.	5,851,657	428,985	ONEOK Inc.	2,023,957	132,387
Altria Group Inc.	8,198,833	389,527	Baker Hughes Co.		
Colgate-Palmolive Co.	3,773,755	301,146	Class A	4,289,187	125,416
General Mills Inc.	2,686,860	238,136	Diamondback Energy Inc.	815,161	115,916
Kimberly-Clark Corp.	1,533,472	222,185	Coterra Energy Inc.	3,573,647	91,485
Archer-Daniels-Midland			Targa Resources Corp.	1,028,372	77,673
Co.	2,491,055	194,502	APA Corp.	1,458,469	53,745
Hershey Co.	664,757	181,519	Chesapeake Energy		
Sysco Corp.	2,314,225	177,594	Corp.	551,523	45,600
Kroger Co.	2,986,711	145,244	HF Sinclair Corp.	614,339	27,098
Kraft Heinz Co.	3,182,366	124,971	Chord Energy Corp.	187,804	26,730
Walgreens Boots			Murphy Oil Corp.	666,436	24,465
Alliance Inc.	3,267,887	115,193	Civitas Resources Inc.	333,282	23,013
Conagra Brands Inc.	2,142,268	81,320	DT Midstream Inc.	440,729	21,715
Kellogg Co.	1,160,763	80,986	Antero Midstream Corp.	1,528,986	16,452
Tyson Foods Inc. Class A	1,266,763	79,160	Helmerich & Payne Inc.	464,882	15,415
Clorox Co.	458,179	75,884	Northern Oil & Gas Inc.	299,419	9,932
J M Smucker Co.	469,086	72,432	Equitrans Midstream		
Coca-Cola Europacific			Corp.	1,858,103	9,569
Partners plc	919,859	59,303	Arch Resources Inc.	67,389	8,238
Bunge Ltd.	629,623	58,933	New Fortress Energy Inc.	251,493	7,618
Hormel Foods Corp.	1,305,151	52,780	Delek US Holdings Inc.	315,082	6,853
Campbell Soup Co.	882,562	47,923	Archrock Inc.	614,767	6,326
Molson Coors Beverage			CVR Energy Inc.	134,178	3,534
Co. Class B	796,995	47,405	Enviva Inc.	139,678	3,003
					<b>6,761,875</b>

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Financials (19.0%)</b>			Unum Group	902,404	38,081
JPMorgan Chase & Co.	13,305,482	1,839,350	American Financial Group Inc.	305,909	37,544
Bank of America Corp.	32,059,776	938,710	Ally Financial Inc.	1,358,978	35,850
Wells Fargo & Co.	17,515,587	696,245	Franklin Resources Inc.	1,297,732	34,883
Goldman Sachs Group Inc.	1,498,609	514,682	East West Bancorp Inc.	644,200	33,299
Morgan Stanley	5,620,984	505,720	New York Community Bancorp Inc.	3,049,328	32,597
BlackRock Inc.	676,493	454,062	Old Republic International Corp.	1,269,577	32,082
Citigroup Inc.	8,827,168	415,495	Assurant Inc.	241,891	29,784
Chubb Ltd.	1,902,825	383,533	Webster Financial Corp.	787,351	29,368
Progressive Corp.	2,660,943	362,953	Cullen/Frost Bankers Inc.	265,722	29,296
CME Group Inc.	1,634,579	303,656	Invesco Ltd.	1,698,028	29,087
Blackstone Inc.	3,233,627	288,860	Jefferies Financial Group Inc.	899,814	28,821
PNC Financial Services Group Inc.	1,834,932	239,000	Carlyle Group Inc.	941,675	28,561
US Bancorp	6,302,896	216,063	First American Financial Corp.	458,752	26,429
Truist Financial Corp.	6,059,152	197,407	Comerica Inc.	595,316	25,819
Aflac Inc.	2,777,823	194,031	Prosperity Bancshares Inc.	398,177	24,934
Travelers Cos. Inc.	1,065,558	193,015	RLI Corp.	176,982	24,609
MetLife Inc.	3,009,738	184,587	SouthState Corp.	339,048	23,388
American International Group Inc.	3,385,800	179,583	Houlihan Lokey Inc. Class A	229,772	20,997
Ameriprise Financial Inc.	479,035	146,163	Synovus Financial Corp.	654,808	20,168
Prudential Financial Inc.	1,676,542	145,859	Columbia Banking System Inc.	941,827	20,117
Bank of New York Mellon Corp.	3,345,168	142,471	OneMain Holdings Inc.	521,953	20,027
Apollo Global Management Inc.	2,202,378	139,609	Axis Capital Holdings Ltd.	353,756	20,001
Allstate Corp.	1,203,730	139,344	MGIC Investment Corp.	1,343,179	19,973
Discover Financial Services	1,214,597	125,674	United Bankshares Inc.	590,287	19,556
State Street Corp.	1,588,464	114,782	Hanover Insurance Group Inc.	161,319	19,287
T. Rowe Price Group Inc.	1,001,959	112,550	Popular Inc.	320,230	19,217
Hartford Financial Services Group Inc.	1,444,815	102,567	Evercore Inc. Class A	165,797	18,912
M&T Bank Corp.	782,967	98,497	FNB Corp.	1,627,841	18,688
Principal Financial Group Inc.	1,102,206	82,324	Zions Bancorp NA	669,575	18,654
Fifth Third Bancorp	3,102,930	81,297	Home BancShares Inc.	850,265	18,510
Regions Financial Corp.	4,256,700	77,727	Valley National Bancorp	1,947,997	18,272
Cincinnati Financial Corp.	697,789	74,273	Bank OZK	508,640	18,169
Huntington Bancshares Inc.	6,535,957	73,203	Old National Bancorp	1,326,060	17,783
Northern Trust Corp.	935,783	73,141	FirstCash Holdings Inc.	170,191	17,535
Citizens Financial Group Inc.	2,223,651	68,800	Radian Group Inc.	711,950	17,279
Everest Re Group Ltd.	177,165	66,968	Lincoln National Corp.	771,559	16,766
Ares Management Corp. Class A	698,189	61,154	Glacier Bancorp Inc.	502,661	16,703
KeyCorp	4,231,014	47,641	Cadence Bank	820,085	16,582
Equitable Holdings Inc.	1,678,450	43,623	SLM Corp.	1,088,963	16,356
Reinsurance Group of America Inc.	304,303	43,308	Janus Henderson Group plc	618,584	16,052
First Horizon Corp.	2,409,753	42,291	Hancock Whitney Corp.	389,777	14,235
Credicorp Ltd.	310,047	42,005	Assured Guaranty Ltd.	261,784	14,102
Fidelity National Financial Inc.	1,182,778	41,977	Kemper Corp.	288,784	14,049
			Jackson Financial Inc. Class A	338,330	12,183





## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)	
Patterson Cos. Inc.	393,996	10,681		GATX Corp.	158,723	18,080
Healthcare Services Group Inc.	336,343	5,250		Ryder System Inc.	220,959	17,491
Eli Lilly & Co.	972	385		ManpowerGroup Inc.	228,480	17,298
		<b>8,176,751</b>		* Crane Co.	213,853	15,412
<b>Industrials (11.7%)</b>				Otter Tail Corp.	186,678	13,432
Raytheon Technologies Corp.	6,703,491	669,679		ABM Industries Inc.	299,978	12,773
Honeywell International Inc.	3,084,593	616,425		Crane NXT Co.	213,853	10,128
United Parcel Service Inc. Class B	3,356,274	603,492		McGrath RentCorp	110,044	9,781
Union Pacific Corp.	2,803,457	548,637		Kennametal Inc.	367,750	9,547
Caterpillar Inc.	2,372,814	519,172		Greif Inc. Class A	112,826	7,084
Lockheed Martin Corp.	1,037,826	482,018		Tennant Co.	84,152	6,431
Automatic Data Processing Inc.	1,903,343	418,736		<sup>1</sup> ZIM Integrated Shipping Services Ltd.	372,352	6,356
Illinois Tool Works Inc.	1,392,507	336,903		ADT Inc.	947,699	6,350
Eaton Corp. plc	1,819,100	304,008		H&E Equipment Services Inc.	144,851	5,287
3M Co.	2,511,013	266,720		<sup>1</sup> Golden Ocean Group Ltd.	557,012	5,097
General Dynamics Corp.	1,108,236	241,972		<sup>1</sup> Star Bulk Carriers Corp.	225,330	4,757
Emerson Electric Co.	2,588,655	215,531		SFL Corp. Ltd.	521,633	4,742
Johnson Controls International plc	3,137,347	187,739		Apogee Enterprises Inc.	100,903	4,294
PACCAR Inc.	2,330,137	174,038		Greenbrier Cos. Inc.	144,347	3,818
L3Harris Technologies Inc.	865,280	168,859		TTEC Holdings Inc.	85,552	2,915
Paychex Inc.	1,468,969	161,381		Trinseo plc	157,789	2,859
Fidelity National Information Services Inc.	2,700,908	158,597		Kaman Corp.	127,115	2,805
Cummins Inc.	641,699	150,825		<sup>1</sup> Ardagh Metal Packaging SA	680,727	2,777
DuPont de Nemours Inc.	2,088,827	145,633				<b>7,271,106</b>
Hubbell Inc. Class B	243,804	65,661		<b>Real Estate (0.0%)</b>		
Snap-on Inc.	239,127	62,032		Kennedy-Wilson Holdings Inc.	533,551	8,953
Synchrony Financial	1,983,159	58,523		<b>Technology (6.6%)</b>		
Stanley Black & Decker Inc.	672,127	58,031		Broadcom Inc.	1,802,404	1,129,206
Packaging Corp. of America	415,584	56,212		Texas Instruments Inc.	4,136,980	691,703
CH Robinson Worldwide Inc.	528,298	53,289		QUALCOMM Inc.	5,108,171	596,634
Watsco Inc.	149,896	51,921		Intel Corp.	18,874,661	586,247
RPM International Inc.	581,048	47,663		International Business Machines Corp.	4,102,406	518,585
Huntington Ingalls Industries Inc.	179,080	36,113		HP Inc.	4,475,577	132,969
Westrock Co.	1,152,548	34,496		Corning Inc.	3,350,859	111,316
nVent Electric plc	751,194	31,498		Hewlett Packard Enterprise Co.	5,853,751	83,826
MDU Resources Group Inc.	918,607	26,842		NetApp Inc.	989,626	62,238
Sonoco Products Co.	442,501	26,824		Seagate Technology Holdings plc	879,265	51,674
Oshkosh Corp.	298,519	22,843		Dell Technologies Inc. Class C	1,075,397	46,769
Triton International Ltd.	264,205	21,842		Gen Digital Inc.	2,499,147	44,160
Flowserve Corp.	592,183	19,773		National Instruments Corp.	595,773	34,692
MSC Industrial Direct Co. Inc. Class A	210,655	19,113		Avnet Inc.	413,588	17,065
Western Union Co.	1,697,254	18,551		Xerox Holdings Corp.	515,948	8,085
						<b>4,115,169</b>
				<b>Telecommunications (4.9%)</b>		
				Cisco Systems Inc.	18,751,312	886,000
				Comcast Corp. Class A	19,089,115	789,717

## High Dividend Yield Index Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Verizon Communications Inc.	19,160,300	743,994	Portland General Electric Co.	404,416	20,472
AT&T Inc.	32,639,332	576,737	Hawaiian Electric Industries Inc.	494,636	19,395
Juniper Networks Inc.	1,455,293	43,877	Black Hills Corp.	294,790	19,247
Cogent Communications Holdings Inc.	194,441	13,424	ONE Gas Inc.	243,641	18,748
Telephone & Data Systems Inc.	458,006	4,580	PNM Resources Inc.	387,324	18,642
		<b>3,058,329</b>	Southwest Gas Holdings Inc.	302,877	16,961
<b>Utilities (8.0%)</b>			ALLETE Inc.	259,184	16,168
NextEra Energy Inc.	9,054,101	693,816	Spire Inc.	230,536	15,614
Southern Co.	4,954,595	364,410	NorthWestern Corp.	263,292	15,434
Duke Energy Corp.	3,526,780	348,728	Avista Corp.	334,987	14,763
Waste Management Inc.	1,869,856	310,490	Avangrid Inc.	322,296	12,976
Sempra Energy	1,433,463	222,889	MGE Energy Inc.	164,586	12,609
Dominion Energy Inc.	3,792,862	216,724	Clearway Energy Inc. Class C	375,401	11,401
American Electric Power Co. Inc.	2,341,210	216,375	SJW Group	122,863	9,328
Exelon Corp.	4,523,080	191,959	Atlantica Sustainable Infrastructure plc	285,202	7,592
Xcel Energy Inc.	2,481,853	173,506	Northwest Natural Holding Co.	157,645	7,403
Consolidated Edison Inc.	1,616,125	159,140	Clearway Energy Inc. Class A	154,359	4,473
Public Service Enterprise Group Inc.	2,267,844	143,328			<b>4,963,627</b>
WEC Energy Group Inc.	1,437,061	138,202	<b>Total Common Stocks</b>		
Edison International	1,711,834	125,991	<b>(Cost \$53,100,331)</b>		<b>61,925,671</b>
Eversource Energy	1,567,710	121,670	<b>Temporary Cash Investments (0.2%)</b>		
Ameren Corp.	1,171,917	104,265	<b>Money Market Fund (0.2%)</b>		
FirstEnergy Corp.	2,603,288	103,611	<sup>2,3</sup> Vanguard Market Liquidity Fund, 4.853% <b>(Cost \$96,534)</b>	965,497	<b>96,540</b>
Entergy Corp.	924,032	99,407			
DTE Energy Co.	878,444	98,746	<b>Total Investments (100.0%)</b>		
PPL Corp.	3,354,383	96,338	<b>(Cost \$53,196,865)</b>		<b>62,022,211</b>
CenterPoint Energy Inc.	2,869,740	87,441	<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>18,653</b>
CMS Energy Corp.	1,317,754	82,043	<b>Net Assets (100%)</b>		<b>62,040,864</b>
Atmos Energy Corp.	646,982	73,847			
AES Corp.	3,038,042	71,880	Cost is in \$000.		
Alliant Energy Corp.	1,140,090	62,865	• See Note A in Notes to Financial Statements.		
Energy Inc.	1,011,193	62,805	* Non-income-producing security.		
NiSource Inc.	1,849,412	52,634	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$67,132,000.		
Essential Utilities Inc.	1,053,614	44,989	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.		
Vistra Corp.	1,788,886	42,683	3 Collateral of \$69,818,000 was received for securities on loan.		
Pinnacle West Capital Corp.	513,359	40,278			
OGE Energy Corp.	952,417	35,754			
NRG Energy Inc.	966,749	33,034			
UGI Corp.	953,666	32,310			
IDACORP Inc.	228,902	25,436			
New Jersey Resources Corp.	435,280	22,478			
National Fuel Gas Co.	399,453	22,329			

## 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 2023	437	91,519	4,870

## 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)
Clorox Co.	8/31/23	BANA	16,299	(4.827)	827	—
Paramount Global Class B	8/31/23	BANA	13,297	(4.827)	706	—
					1,533	—

<sup>1</sup> Based on USD Overnight Bank Funding Rate as of the most recent reset date. Floating interest payment received/paid monthly.  
BANA—Bank of America, N.A.

At April 30, 2023, the counterparties had deposited in segregated accounts securities with a value of \$1,510,000 in connection with open over-the-counter swap contracts.

# Statement of Assets and Liabilities

As of April 30, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value <sup>1</sup>	
Unaffiliated Issuers (Cost \$53,100,331)	61,925,671
Affiliated Issuers (Cost \$96,534)	96,540
Total Investments in Securities	62,022,211
Investment in Vanguard	2,171
Cash	16,207
Cash Collateral Pledged—Futures Contracts	4,900
Receivables for Accrued Income	96,036
Receivables for Capital Shares Issued	4,616
Variation Margin Receivable—Futures Contracts	759
Unrealized Appreciation—Over-the-Counter Swap Contracts	1,533
<b>Total Assets</b>	<b>62,148,433</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	25,640
Collateral for Securities on Loan	69,818
Payables for Capital Shares Redeemed	10,484
Payables to Vanguard	1,627
<b>Total Liabilities</b>	<b>107,569</b>
<b>Net Assets</b>	<b>62,040,864</b>

<sup>1</sup> Includes \$67,132,000 of securities on loan.

At April 30, 2023, net assets consisted of:

Paid-in Capital	54,251,546
Total Distributable Earnings (Loss)	7,789,318
<b>Net Assets</b>	<b>62,040,864</b>

## ETF Shares—Net Assets

Applicable to 465,925,492 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	49,782,790
<b>Net Asset Value Per Share—ETF Shares</b>	<b>\$106.85</b>

## Admiral Shares—Net Assets

Applicable to 380,463,890 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	12,258,074
<b>Net Asset Value Per Share—Admiral Shares</b>	<b>\$32.22</b>

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

## Statement of Operations

Six Months Ended  
April 30, 2023

(\$'000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	1,014,828
Interest <sup>2</sup>	501
Securities Lending—Net	1,379
Total Income	1,016,708
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	729
Management and Administrative—ETF Shares	12,089
Management and Administrative—Admiral Shares	4,317
Marketing and Distribution—ETF Shares	1,131
Marketing and Distribution—Admiral Shares	277
Custodian Fees	471
Shareholders' Reports—ETF Shares	638
Shareholders' Reports—Admiral Shares	114
Trustees' Fees and Expenses	13
Other Expenses	7
Total Expenses	19,786
Expenses Paid Indirectly	(2)
Net Expenses	19,784
<b>Net Investment Income</b>	<b>996,924</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2,3</sup>	1,717,392
Futures Contracts	760
Swap Contracts	5,002
<b>Realized Net Gain (Loss)</b>	<b>1,723,154</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	(1,495,473)
Futures Contracts	3,163
Swap Contracts	(62)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(1,492,372)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>1,227,706</b>

1 Dividends are net of foreign withholding taxes of \$871,000.

2 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$403,000, \$3,000, and (\$1,000), respectively. Purchases and sales are for temporary cash investment purposes.

3 Includes \$2,124,750,000 of net gain (loss) resulting from in-kind redemptions.

## Statement of Changes in Net Assets

	Six Months Ended April 30, 2023	Year Ended October 31, 2022
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	996,924	1,684,583
Realized Net Gain (Loss)	1,723,154	639,561
Change in Unrealized Appreciation (Depreciation)	(1,492,372)	(1,659,684)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,227,706	664,460
<b>Distributions</b>		
ETF Shares	(779,132)	(1,318,564)
Admiral Shares	(193,285)	(352,553)
Total Distributions	(972,417)	(1,671,117)
<b>Capital Share Transactions</b>		
ETF Shares	887,862	9,692,470
Admiral Shares	9,799	1,017,487
Net Increase (Decrease) from Capital Share Transactions	897,661	10,709,957
Total Increase (Decrease)	1,152,950	9,703,300
<b>Net Assets</b>		
Beginning of Period	60,887,914	51,184,614
End of Period	62,040,864	60,887,914

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, 2023	Year Ended October 31,				
		2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$106.42</b>	<b>\$108.42</b>	<b>\$79.49</b>	<b>\$89.60</b>	<b>\$83.26</b>	<b>\$82.46</b>
<b>Investment Operations</b>						
Net Investment Income <sup>1</sup>	1.730	3.232	3.010	2.950	2.891	2.623
Net Realized and Unrealized Gain (Loss) on Investments	.392	(2.016)	28.887	(10.184)	6.251	.731
Total from Investment Operations	2.122	1.216	31.897	(7.234)	9.142	3.354
<b>Distributions</b>						
Dividends from Net Investment Income	(1.692)	(3.216)	(2.967)	(2.876)	(2.802)	(2.554)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.692)	(3.216)	(2.967)	(2.876)	(2.802)	(2.554)
<b>Net Asset Value, End of Period</b>	<b>\$106.85</b>	<b>\$106.42</b>	<b>\$108.42</b>	<b>\$79.49</b>	<b>\$89.60</b>	<b>\$83.26</b>
<b>Total Return</b>	<b>2.03%</b>	<b>1.18%</b>	<b>40.55%</b>	<b>-8.17%</b>	<b>11.31%</b>	<b>4.05%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$49,783	\$48,689	\$39,766	\$26,279	\$26,816	\$21,328
Ratio of Total Expenses to Average Net Assets	0.06% <sup>2</sup>	0.06% <sup>2</sup>	0.06%	0.06%	0.06%	0.06%
Ratio of Net Investment Income to Average Net Assets	3.18%	3.01%	2.99%	3.53%	3.38%	3.08%
Portfolio Turnover Rate <sup>3</sup>	4%	9%	8%	11%	7%	13%

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

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	Six Months Ended April 30,	Year Ended October 31,			February 7, 2019 <sup>1</sup> to October 31, 2019
	2023	2022	2021	2020	2019
<b>Net Asset Value, Beginning of Period</b>	<b>\$32.09</b>	<b>\$32.69</b>	<b>\$23.97</b>	<b>\$27.02</b>	<b>\$25.00</b>
<b>Investment Operations</b>					
Net Investment Income <sup>2</sup>	.519	.970	.902	.887	.624
Net Realized and Unrealized Gain (Loss) on Investments	.118	(.607)	8.707	(3.075)	2.010
Total from Investment Operations	.637	.363	9.609	(2.188)	2.634
<b>Distributions</b>					
Dividends from Net Investment Income	(.507)	(.963)	(.889)	(.862)	(.614)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.507)	(.963)	(.889)	(.862)	(.614)
<b>Net Asset Value, End of Period</b>	<b>\$32.22</b>	<b>\$32.09</b>	<b>\$32.69</b>	<b>\$23.97</b>	<b>\$27.02</b>
<b>Total Return<sup>3</sup></b>	<b>2.03%</b>	<b>1.19%</b>	<b>40.50%</b>	<b>-8.19%</b>	<b>10.64%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$12,258	\$12,199	\$11,418	\$7,665	\$8,814
Ratio of Total Expenses to Average Net Assets	0.08% <sup>4</sup>	0.08% <sup>4</sup>	0.08%	0.08%	0.08% <sup>5</sup>
Ratio of Net Investment Income to Average Net Assets	3.16%	2.99%	2.97%	3.52%	3.24% <sup>5</sup>
Portfolio Turnover Rate <sup>6</sup>	4%	9%	8%	11%	7% <sup>7</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 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.08%.

5 Annualized.

6 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.

7 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.

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.

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, 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 six months ended April 30, 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 \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the fund and Vanguard.

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

For the six months ended April 30, 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 and is accrued daily. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

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, 2023, the fund had contributed to Vanguard capital in the amount of \$2,171,000, representing less than 0.01% of the fund's net assets and 0.87% 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 six months ended April 30, 2023, custodian fee offset arrangements reduced the fund's expenses by \$2,000 (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.).

**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, 2023, 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	61,925,671	—	—	61,925,671
Temporary Cash Investments	96,540	—	—	96,540
Total	62,022,211	—	—	62,022,211
<b>Derivative Financial Instruments</b>				
<b>Assets</b>				
Futures Contracts <sup>1</sup>	4,870	—	—	4,870
Swap Contracts	—	1,533	—	1,533
Total	4,870	1,533	—	6,403

<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.

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

	Amount (\$000)
Tax Cost	53,278,390
Gross Unrealized Appreciation	11,963,932
Gross Unrealized Depreciation	(3,213,708)
Net Unrealized Appreciation (Depreciation)	8,750,224

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, 2022, the fund had available capital losses totaling \$2,837,648,000 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, 2023; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended April 30, 2023, the fund purchased \$8,425,314,000 of investment securities and sold \$7,492,888,000 of investment securities, other than temporary cash investments. Purchases and sales include \$5,880,817,000 and \$5,068,966,000, 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, 2023, such purchases were \$260,539,000 and sales were \$571,147,000, resulting in net realized loss of \$130,903,000; 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:

	Six Months Ended April 30, 2023		Year Ended October 31, 2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
<b>ETF Shares</b>				
Issued	5,964,123	56,573	12,609,654	117,634
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(5,076,261)	(48,150)	(2,917,184)	(26,900)
Net Increase (Decrease)—ETF Shares	887,862	8,423	9,692,470	90,734
<b>Admiral Shares</b>				
Issued	857,840	26,252	2,387,226	73,103
Issued in Lieu of Cash Distributions	150,171	4,775	273,445	8,660
Redeemed	(998,212)	(30,706)	(1,643,184)	(50,873)
Net Increase (Decrease)—Admiral Shares	9,799	321	1,017,487	30,890

H. Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the fund's investments and fund performance.

To the extent the fund's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the fund may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

The use of derivatives may expose the fund to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the fund's use of derivative(s) and the specific risks associated is described under significant accounting policies.

I. Management has determined that no events or transactions occurred subsequent to April 30, 2023, 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 presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

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

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

Prior to their meeting, the trustees were provided with a memo and 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 below the average expense ratio charged by funds in its peer group and that the fund's advisory expenses were also below the peer-group average.



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

**The benefit of economies of scale**

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

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

# Liquidity Risk Management

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

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

The board of trustees of Vanguard 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, 2022, through December 31, 2022 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the fund’s liquidity risk.

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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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