



Annual Report | October 31, 2023

Vanguard Windsor™ II Fund

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

Important information about shareholder reports

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

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

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

Your Fund's Performance at a Glance

- For the 12 months ended October 31, 2023, Vanguard Windsor II Fund returned 7.02% for Investor Shares and 7.09% for Admiral Shares, well ahead of the 0.13% return of its benchmark, the Russell 1000 Value Index.
- Early on, inflation began to ease off multidecade highs amid aggressive interest rate hikes by the central banks. Unexpected resilience in the labor market and consumer spending helped dial back expectations of a sustained recession, but the prospect of higher rates for longer weighed on market sentiment toward the close of the period.
- The broad U.S. stock market, as measured by the Russell 3000 Index, returned 8.38%. Growth stocks outperformed value. By market capitalization, larger stocks fared better than smaller companies on average.
- Information technology, the fund's largest sector, aided performance most with strong selection and an overweight allocation relative to the benchmark. Consumer discretionary also was a net contributor. Materials and consumer staples were the only sectors to detract from performance.
- For the decade ended October 31, 2023, the fund's average annualized return was 9.14% for Investor Shares and 9.22% for Admiral Shares, outpacing the 7.60% return of the fund's benchmark.

Market Barometer

	Average Annual Total Returns Periods Ended October 31, 2023		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	9.48%	9.53%	10.71%
Russell 2000 Index (Small-caps)	-8.56	3.95	3.31
Russell 3000 Index (Broad U.S. market)	8.38	9.19	10.23
FTSE All-World ex US Index (International)	12.35	3.51	3.88
Bonds			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	0.53%	-5.51%	0.03%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	2.64	-2.48	1.00
FTSE Three-Month U.S. Treasury Bill Index	4.94	1.93	1.80
CPI			
Consumer Price Index	3.24%	5.72%	4.00%

Advisors' Report

For the 12 months ended October 31, 2023, Vanguard Windsor II Fund returned 7.02% for Investor Shares and 7.09% for Admiral Shares. It outperformed the 0.13% return of its benchmark, the Russell 1000 Value Index.

Your fund is managed by four independent advisors, a strategy that enhances its diversification by providing exposure to distinct yet complementary investment approaches. It's not uncommon for different advisors to have different views about individual securities or the broader investment environment.

The accompanying table lists the advisors, the amount and percentage of fund assets each manages, and brief descriptions of their investment strategies. The advisors have provided the following assessment of the investment environment during the past 12 months and the notable successes and shortfalls in their portfolios. These comments were prepared on November 15, 2023.

Lazard Asset Management LLC

Portfolio Managers:

Andrew Lacey, Deputy Chairman

Henry Ross Seiden, Managing Director

Our strategy is based on the relationship between valuation and financial productivity. We have identified and historically validated two potential sources of alpha that we focus on exclusively:

- **Compounders:** These are companies our analysis indicates can sustain very high

levels of financial productivity for longer than the market expects and for which the share price does not reflect the sustainability of these returns. We typically invest 60% to 80% of our capital in compounders.

- **Improvers:** We believe that companies can improve returns, but investors often are too optimistic about the probability of success. Our research indicates that companies that improve their returns on capital materially outperform the broad market. We typically invest 20% to 40% of our capital in such improvers.

The U.S. market has been extremely narrow over the last 12 months, driven by a small group of technology-focused companies which rallied due to exuberance around artificial intelligence (AI). Over the past year, the "Magnificent Seven" accounted for 99.7% of the S&P 500 Index's return. We believe our holdings in Microsoft, Alphabet, Amazon, and Meta are attractive, but the strategy is not exposed to Apple, Tesla, or NVIDIA, creating a drag on relative performance.

Furthermore, the compounder universe has underperformed over the last year, with only 36% of compounders outperforming and the average company lagging by 550 basis points (5.5 percentage points). Further analysis of the universe shows significant dispersion dependent on growth profiles: those with the strongest growth significantly outperformed peers with more stable growth. The strategy has been modestly underweight to the high-growth group because of extended valuations and

significantly overweight to the stable-growth group, a notable headwind.

We believe that now is a particularly interesting time, as the valuation of these high-quality, stable-growth businesses is as attractive as it has been historically outside of the tech bubble.

Hotchkis & Wiley Capital Management, LLC

Portfolio Managers:

George H. Davis, Jr.,
Executive Chairman

Scott McBride, CFA,
Chief Executive Officer

The S&P 500 Index returned 10.1% for the 12 months ended October 31, compared to 19.0% for the Russell 1000 Growth Index and 0.1% for the Russell 1000 Value Index. The performance difference between value and growth has been puzzling.

During the period, interest rates rose and the equity market sold off, which is intuitive because higher rates are generally bad for equities as the cost of capital increases. Growth stocks sold off significantly more than value stocks, which is also logical for two primary reasons. First, growth stocks are longer-duration securities and thus should be more sensitive to changes in interest rates. Second, financials comprise much larger portions of value portfolios and represent the one segment of the market that generally stands to benefit from higher interest rates. Yet growth

outperformed value in a big way, which has widened the valuation gap between growth and value to about two standard deviations above average, which we view as unsustainable. A correction would be highly conducive to our value-focused approach.

Positive stock selection in industrials, technology, and health care helped relative performance in a meaningful way for the portion of fund assets that we manage. Our overweight position in technology and underweight position in real estate also helped. The largest detractor was stock selection in communication services, the result of not owning Meta—the stock had more than tripled before it was removed from the value index in the June reconstitution. Stock selection in consumer discretionary, financials, and materials was a modest detractor. The most notable change in positioning was an increase in health care because the relative valuation became increasingly attractive. The health care positions also score well in our fundamental risk ratings.

Sanders Capital, LLC

Portfolio Managers:

Lewis A. Sanders, CFA,
Chief Executive Officer and
Co-Chief Investment Officer

John P. Mahedy, CPA,
Director of Research and
Co-Chief Investment Officer

Value opportunities typically reside in places where investor anxiety is elevated

either because of depressed conditions or credible threats to the sustainability of current earnings and cash flow. Our investments fall into both categories and, although broadly diversified, have substantial exposure to the information technology (IT) and health care sectors.

The investments in IT, together with related investments in digital communications, position the portfolio to benefit from growing adoption of AI. Investments in health care provide ballast to the cyclical risks inherent in the IT and communications sectors and, in the long term, benefit from the aging of the population, which drives demand for high-acuity health care services. Both areas have contributed to investment returns over the long term while their low correlation has helped dampen overall portfolio volatility.

The statistical character of our portion of fund assets remains within the value domain. It is priced at about a 25% discount to market standards on earnings and cash flow. Relative volatility is estimated to be within the portfolio's targeted range. Portfolio beta, a measure of the overall portfolio's sensitivity to market change, is low at 0.86.

About 20% of the portfolio is invested in companies domiciled outside the U.S. We believe these companies are well-positioned in their respective industries and, on average, are priced at about a 20% discount to our U.S. holdings. Investment results year to date have been above broad-based benchmarks and far stronger than

value-based indexes. Longer-term investment returns manifest a similar pattern, owing primarily to effective stock selection.

Aristotle Capital Management, LLC
Portfolio Managers:

Howard Gleicher, CFA,
Chief Executive Officer and
Chief Investment Officer

Gregory D. Padilla, CFA,
Principal, Senior Global Research Analyst

Value investing is often associated with lower quality, but our approach is different. We look for high-quality companies whose current stock prices do not reflect our estimates of their intrinsic value and for which we see company-specific catalysts underway to propel the business forward.

The fiscal year ended October 31 was marked by yet another reversal in leadership, a "magnificently" narrow rally in the S&P 500, higher interest rates, a regional banking crisis, and geopolitical risks. During the period, our strategy outperformed the Russell 1000 Value Index and lagged the S&P 500. Reflecting the reversal in markets, our technology holdings, the largest detractor a year earlier, became the biggest contributor while our lack of investments in communication services was the largest detractor after being the biggest contributor in the prior year.

We began the period with an underweight position in banks and while this helped

relative performance, we were not immune from the drawdown. With drawdowns come opportunities, and in October 2023 we completed the purchase of a position in U.S. Bancorp, the fifth-largest bank in the U.S. We believe U.S. Bancorp's recent acquisition of Union Bank from MUFG will act as a key catalyst to unlock its potential.

Before the fiscal year began, we held no investments in communications services. In March 2023 we established a position in Activision Blizzard with the view that the then-pending acquisition by Microsoft presented a rare asymmetric risk-reward

to a long-term investor. If the deal was blocked, we believed Activision would be well-positioned to continue as an independent business; if the deal was approved, one was assured of approximately a 20% return. As the stock approached the \$95 deal price, we exited our position and on October 13, Microsoft closed the acquisition. Today, we again have zero investments in the communication services sector and are actively researching several companies in the media and digital advertising value chains.

Vanguard Windsor II Fund Investment Advisors

Investment Advisor	Fund Assets Managed		Investment Strategy
	%	\$ Million	
Lazard Asset Management LLC	36	18,337	Employs a relative-value approach that seeks a combination of attractive valuation and high financial productivity. The process is research-driven, relying upon bottom-up stock analysis performed by the firm's global sector analysts.
Hotchkis and Wiley Capital Management LLC	22	10,888	Uses a disciplined investment approach, focusing on such investment parameters as a company's tangible assets, sustainable cash flow, and potential for improving business performance.
Sanders Capital, LLC	21	10,488	Employs a traditional, bottom-up, fundamental research approach to identifying securities that are undervalued relative to their expected total return.
Aristotle Capital Management, LLC	20	9,920	Employs a fundamental, bottom-up security selection process focused on quality companies with attractive valuations and compelling catalysts.
Cash Investments	1	677	These short-term reserves are invested by Vanguard in equity index products to simulate investment in stocks. Each advisor may also maintain a modest cash position.

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 October 31, 2023

	Beginning Account Value 4/30/2023	Ending Account Value 10/31/2023	Expenses Paid During Period
Based on Actual Fund Return			
Windsor II Fund			
Investor Shares	\$1,000.00	\$997.70	\$1.66
Admiral™ Shares	1,000.00	998.10	1.26
Based on Hypothetical 5% Yearly Return			
Windsor II Fund			
Investor Shares	\$1,000.00	\$1,023.54	\$1.68
Admiral Shares	1,000.00	1,023.95	1.28

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 0.33% for Investor Shares and 0.25% for Admiral Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

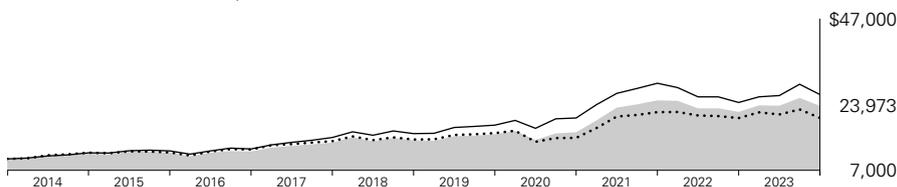
Windsor II Fund

Performance Summary

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

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

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended October 31, 2023			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Windsor II Fund Investor Shares	7.02%	9.94%	9.14%	\$23,973
Russell 1000 Value Index	0.13	6.60	7.60	20,799
Dow Jones U.S. Total Stock Market Float Adjusted Index	8.39	10.10	10.43	26,967

	One Year	Five Years	Ten Years	Final Value of a \$50,000 Investment
Windsor II Fund Admiral Shares	7.09%	10.03%	9.22%	\$120,831
Russell 1000 Value Index	0.13	6.60	7.60	103,994
Dow Jones U.S. Total Stock Market Float Adjusted Index	8.39	10.10	10.43	134,835

See Financial Highlights for dividend information.

Fund Allocation

As of October 31, 2023

Communication Services	76%
Consumer Discretionary	8.2
Consumer Staples	6.8
Energy	7.4
Financials	17.9
Health Care	16.0
Industrials	9.6
Information Technology	20.6
Materials	2.9
Real Estate	1.4
Utilities	1.4
Other	0.2

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

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

Financial Statements

Schedule of Investments

As of October 31, 2023

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

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Common Stocks (95.9%)					
Communication Services (7.3%)					
* Alphabet Inc. Class A	12,954,911	1,607,445	Kroger Co.	4,340,823	196,943
* Meta Platforms Inc. Class A	2,760,013	831,509	Estee Lauder Cos. Inc. Class A	1,329,740	171,364
* Alphabet Inc. Class C	4,354,150	545,575	Unilever plc ADR	3,599,598	170,441
Comcast Corp. Class A	5,323,513	219,808	Mondelez International Inc. Class A	2,526,973	167,311
* Walt Disney Co.	1,882,340	153,580	Unilever plc (XLON)	3,212,400	152,141
* Warner Bros Discovery Inc.	10,268,148	102,065	Nestle SA (Registered)	1,126,287	121,457
Vodafone Group plc ADR	9,071,932	83,825	Kenvue Inc.	4,351,426	80,937
Omnicom Group Inc.	753,779	56,466			3,264,613
¹ Paramount Global Class B	3,620,200	39,388	Energy (7.1%)		
* Baidu Inc. ADR	78,683	8,262	ConocoPhillips	4,225,426	501,980
		3,647,923	Chevron Corp.	3,391,937	494,307
Consumer Discretionary (7.8%)			APA Corp.	9,092,567	361,157
* Amazon.com Inc.	8,970,484	1,193,882	Halliburton Co.	6,775,435	266,546
McDonald's Corp.	1,392,476	365,066	Coterra Energy Inc.	9,502,000	261,305
Lennar Corp. Class A	2,758,056	294,229	Suncor Energy Inc.	7,124,332	230,828
* Aptiv plc	3,041,291	265,201	Marathon Oil Corp.	7,993,987	218,316
Sony Group Corp. ADR	2,959,000	245,745	NOV Inc.	10,853,688	216,640
General Motors Co.	8,560,224	241,398	Phillips 66	1,839,000	209,775
Home Depot Inc.	843,964	240,268	Shell plc ADR	3,112,712	202,762
Cie Generale des Etablissements Michelin SCA ADR	12,986,000	191,933	Pioneer Natural Resources Co.	656,120	156,813
Magna International Inc.	3,850,532	185,172	Ovintiv Inc. (XNYS)	2,921,110	140,213
* Booking Holdings Inc.	59,700	166,537	Schlumberger NV	2,479,166	137,990
NIKE Inc. Class B	1,551,630	159,461	Cenovus Energy Inc.	4,153,200	79,243
* Ulta Beauty Inc.	241,135	91,947	Murphy Oil Corp.	1,195,152	53,626
Bayerische Motoren Werke AG (XETR)	944,435	87,837	Baker Hughes Co.	1,544,100	53,148
* Alibaba Group Holding Ltd. ADR	832,401	68,706			3,584,649
Mercedes-Benz Group AG	1,059,910	62,359	Financials (17.2%)		
* Adient plc	1,311,943	44,199	Wells Fargo & Co.	20,543,567	817,018
BorgWarner Inc. (XNYS)	1,187,000	43,800	Visa Inc. Class A	2,696,151	633,865
		3,947,740	Bank of America Corp.	23,176,931	610,480
Consumer Staples (6.5%)			Intercontinental Exchange Inc.	5,052,565	542,848
Procter & Gamble Co.	5,399,240	810,048	US Bancorp	15,173,600	483,734
Coca-Cola Co.	10,467,875	591,330	Citigroup Inc.	12,084,003	477,197
Sysco Corp.	5,665,974	376,731	American Express Co.	2,901,047	423,640
PepsiCo Inc.	1,395,268	227,819	Marsh & McLennan Cos. Inc.	2,217,413	420,532
Constellation Brands Inc. Class A	846,000	198,091	American International Group Inc.	6,549,146	401,528
			Capital One Financial Corp.	2,864,300	290,125
			Ameriprise Financial Inc.	899,000	282,798
			JPMorgan Chase & Co.	1,795,175	249,637
			Citizens Financial Group Inc.	9,887,851	231,672

Windsor II Fund

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Fidelity National Information Services Inc.	4,342,400	213,255	Novartis AG ADR	77,905	7,290
Blackstone Inc.	2,302,000	212,590			7,724,812
Charles Schwab Corp.	4,031,519	209,800	Industrials (9.2%)		
Bank of New York Mellon Corp.	4,882,634	207,512	Honeywell International Inc.	3,431,200	628,802
Goldman Sachs Group Inc.	679,749	206,379	General Dynamics Corp.	2,067,471	498,901
Commerce Bancshares Inc.	4,493,097	197,067	Parker-Hannifin Corp.	925,000	341,242
BNP Paribas SA	3,342,100	192,184	Northrop Grumman Corp.	692,542	326,485
Hartford Financial Services Group Inc.	2,435,600	178,895	RTX Corp.	3,955,600	321,946
Mitsubishi UFJ Financial Group Inc. ADR	19,937,000	167,471	Waste Management Inc.	1,704,686	280,131
PNC Financial Services Group Inc.	1,413,000	161,746	* Boeing Co.	1,454,939	271,812
Cullen/Frost Bankers Inc.	1,577,000	143,491	Norfolk Southern Corp.	1,328,779	253,518
Chubb Ltd.	594,279	127,544	General Electric Co.	2,174,745	236,242
Aon plc Class A (XNYS)	315,774	97,701	Xylem Inc.	2,310,000	216,077
First Citizens BancShares Inc. Class A	59,258	81,820	FedEx Corp.	848,840	203,806
ING Groep NV	4,497,433	57,660	HEICO Corp.	1,125,570	178,301
Truist Financial Corp.	1,992,588	56,510	Oshkosh Corp.	1,690,000	148,264
Corebridge Financial Inc.	2,694,200	53,884	Cummins Inc.	631,772	136,652
Discover Financial Services	652,800	53,582	Caterpillar Inc.	522,278	118,061
Equitable Holdings Inc.	1,842,040	48,943	Nordson Corp.	424,435	90,231
Sumitomo Mitsui Financial Group Inc.	946,600	45,634	Daimler Truck Holding AG	2,794,014	87,789
State Street Corp.	665,188	42,991	CNH Industrial NV	7,994,599	87,781
NatWest Group plc	18,280,043	39,774	PACCAR Inc.	957,580	79,029
		8,661,507	Timken Co.	737,700	50,990
Health Care (15.4%)			* Fluor Corp.	1,403,385	46,719
UnitedHealth Group Inc.	1,952,269	1,045,557	* Veralto Corp.	375,666	25,921
Medtronic plc	11,204,721	790,605	Siemens AG (Registered)	189,874	25,196
Elevance Health Inc.	1,693,838	762,380			4,653,896
HCA Healthcare Inc.	2,461,600	556,666	Information Technology (19.8%)		
Danaher Corp.	2,735,289	525,230	Microsoft Corp.	9,560,715	3,232,573
Cigna Group	1,662,473	514,037	Apple Inc.	3,463,848	591,521
Johnson & Johnson	3,096,700	459,364	* Adobe Inc.	1,046,341	556,716
Thermo Fisher Scientific Inc.	787,412	350,217	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	5,968,485	515,140
Amgen Inc.	1,055,000	269,763	Micron Technology Inc.	6,390,413	427,327
* Boston Scientific Corp.	5,019,366	256,941	Samsung Electronics Co. Ltd. (KRX)	8,361,400	416,188
Merck & Co. Inc.	2,488,000	255,518	* F5 Inc.	2,096,600	317,824
CVS Health Corp.	3,469,800	239,451	Amphenol Corp. Class A	3,942,852	317,597
Alcon Inc.	2,918,000	208,112	Analog Devices Inc.	1,976,126	310,904
GE Healthcare Inc.	2,969,615	197,687	Telefonaktiebolaget LM Ericsson ADR	69,414,080	309,587
Zoetis Inc.	1,226,959	192,633	Microchip Technology Inc.	3,789,000	270,118
Roche Holding AG	705,449	181,801	* ANSYS Inc.	966,000	268,799
* IQVIA Holdings Inc.	963,061	174,150	Applied Materials Inc.	1,911,838	253,032
* Centene Corp.	2,139,988	147,616	Cisco Systems Inc.	4,625,086	241,106
Humana Inc.	220,926	115,697	* Autodesk Inc.	1,170,000	231,227
AstraZeneca plc ADR	1,672,250	105,736	Accenture plc Class A	777,543	231,000
Abbott Laboratories	941,286	88,999	* Salesforce Inc.	1,117,468	224,421
AbbVie Inc.	516,367	72,901	QUALCOMM Inc.	2,002,000	218,198
Zimmer Biomet Holdings Inc.	612,008	63,900	Seagate Technology Holdings plc	3,156,198	215,410
Sanofi SA ADR	1,320,391	59,748	* Teledyne Technologies Inc.	553,800	207,448
GSK plc ADR	1,567,915	55,975	* Workday Inc. Class A	688,200	145,699
EssilorLuxottica SA	148,206	26,838	International Business Machines Corp.	802,918	116,134
			TE Connectivity Ltd.	902,266	106,332
			Oracle Corp.	936,525	96,837

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Corning Inc.	3,320,051	88,844	PPL Corp.	8,773,815	215,573
Cognizant Technology Solutions Corp. Class A	866,500	55,863			669,126
		9,965,845	Total Common Stocks		48,271,164
Materials (2.7%)			(Cost \$35,034,536)		
Corteva Inc.	6,320,000	304,245	Temporary Cash Investments (3.8%)		
Martin Marietta Materials Inc.	731,000	298,935	Money Market Fund (3.8%)		
RPM International Inc.	2,399,000	218,957	^{2,3} Vanguard Market Liquidity Fund, 5.420% (Cost \$1,900,975)	19,014,811	1,901,291
Ecolab Inc.	1,258,000	211,017			
Avery Dennison Corp.	1,090,794	189,874	Total Investments (99.7%)		50,172,455
Olin Corp.	2,912,100	124,405	(Cost \$36,935,511)		
International Paper Co.	1,016,629	34,291	Other Assets and Liabilities—Net (0.3%)		137,760
		1,381,724	Net Assets (100%)		50,310,215
Other (0.2%)					
SPDR S&P 500 ETF Trust	185,472	77,564			
Real Estate (1.4%)					
Prologis Inc.	3,552,715	357,936			
Equity LifeStyle Properties Inc.	2,869,000	188,780			
Crown Castle Inc.	1,560,000	145,049			
		691,765			
Utilities (1.3%)					
Atmos Energy Corp.	2,210,000	237,929			
Xcel Energy Inc.	3,638,000	215,624			

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 \$5,292,000.					
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 \$5,837,000 was received for securities on loan. ADR—American Depositary Receipt.					

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
				(\$000)
Long Futures Contracts				
E-mini S&P 500 Index	December 2023	3,219	677,962	(20,642)

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

Statement of Assets and Liabilities

As of October 31, 2023

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

Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$35,034,536)	48,271,164
Affiliated Issuers (Cost \$1,900,975)	1,901,291
Total Investments in Securities	50,172,455
Investment in Vanguard	1,799
Cash	1,838
Cash Collateral Pledged—Futures Contracts	36,790
Foreign Currency, at Value (Cost \$673)	642
Receivables for Investment Securities Sold	236,022
Receivables for Accrued Income	51,305
Receivables for Capital Shares Issued	5,944
Variation Margin Receivable—Futures Contracts	4,349
Total Assets	50,511,144
Liabilities	
Payables for Investment Securities Purchased	156,392
Collateral for Securities on Loan	5,837
Payables to Investment Advisor	15,178
Payables for Capital Shares Redeemed	19,948
Payables to Vanguard	3,574
Total Liabilities	200,929
Net Assets	50,310,215

¹ Includes \$5,292,000 of securities on loan.

At October 31, 2023, net assets consisted of:

Paid-in Capital	34,940,088
Total Distributable Earnings (Loss)	15,370,127
Net Assets	50,310,215

Investor Shares—Net Assets

Applicable to 264,618,856 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	10,381,062
Net Asset Value Per Share—Investor Shares	\$39.23

Admiral Shares—Net Assets

Applicable to 573,675,749 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	39,929,153
Net Asset Value Per Share—Admiral Shares	\$69.60

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

Statement of Operations

Year Ended
October 31, 2023

(\$000)

Investment Income	
Income	
Dividends ¹	948,284
Interest ²	104,504
Securities Lending—Net	595
Total Income	1,053,383
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	65,499
Performance Adjustment	(5,032)
The Vanguard Group—Note C	
Management and Administrative—Investor Shares	23,003
Management and Administrative—Admiral Shares	55,350
Marketing and Distribution—Investor Shares	461
Marketing and Distribution—Admiral Shares	1,447
Custodian Fees	660
Auditing Fees	46
Shareholders' Reports—Investor Shares	406
Shareholders' Reports—Admiral Shares	246
Trustees' Fees and Expenses	29
Other Expenses	59
Total Expenses	142,174
Expenses Paid Indirectly	(121)
Net Expenses	142,053
Net Investment Income	911,330
Realized Net Gain (Loss)	
Investment Securities Sold ²	1,900,402
Futures Contracts	84,074
Foreign Currencies	17
Realized Net Gain (Loss)	1,984,493
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers ²	702,386
Futures Contracts	(46,517)
Foreign Currencies	498
Change in Unrealized Appreciation (Depreciation)	656,367
Net Increase (Decrease) in Net Assets Resulting from Operations	3,552,190

1 Dividends are net of foreign withholding taxes of \$21,384,000.

2 Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$103,304,000, \$203,000, \$5,000, and \$54,000, respectively. Purchases and sales are for temporary cash investment purposes.

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

Statement of Changes in Net Assets

	Year Ended October 31,	
	2023 (\$'000)	2022 (\$'000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	911,330	795,248
Realized Net Gain (Loss)	1,984,493	2,796,748
Change in Unrealized Appreciation (Depreciation)	656,367	(10,644,556)
Net Increase (Decrease) in Net Assets Resulting from Operations	3,552,190	(7,052,560)
Distributions		
Investor Shares	(743,361)	(1,012,782)
Admiral Shares	(2,794,952)	(3,567,050)
Total Distributions	(3,538,313)	(4,579,832)
Capital Share Transactions		
Investor Shares	(380,550)	(437,223)
Admiral Shares	253,217	1,926,529
Net Increase (Decrease) from Capital Share Transactions	(127,333)	1,489,306
Total Increase (Decrease)	(113,456)	(10,143,086)
Net Assets		
Beginning of Period	50,423,671	60,566,757
End of Period	50,310,215	50,423,671

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

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$39.39	\$48.48	\$34.85	\$37.22	\$37.39
Investment Operations					
Net Investment Income ¹	.672	.585	.502	.551	.775
Net Realized and Unrealized Gain (Loss) on Investments	1.923	(6.039)	15.971	.607	2.628
Total from Investment Operations	2.595	(5.454)	16.473	1.158	3.403
Distributions					
Dividends from Net Investment Income	(.647)	(.566)	(.516)	(.635)	(.844)
Distributions from Realized Capital Gains	(2.108)	(3.070)	(2.327)	(2.893)	(2.729)
Total Distributions	(2.755)	(3.636)	(2.843)	(3.528)	(3.573)
Net Asset Value, End of Period	\$39.23	\$39.39	\$48.48	\$34.85	\$37.22
Total Return²	7.02%	-11.93%	49.42%	2.93%	10.82%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$10,381	\$10,747	\$13,734	\$10,997	\$12,119
Ratio of Total Expenses to Average Net Assets ³	0.34% ⁴	0.34% ⁴	0.34%	0.34%	0.33%
Ratio of Net Investment Income to Average Net Assets	1.69%	1.38%	1.15%	1.61%	2.20%
Portfolio Turnover Rate	17%	18%	20%	61%	32%

1 Calculated based on average shares outstanding.

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

3 Includes performance-based investment advisory fee increases (decreases) of (0.01%), (0.01%), (0.00%), (0.01%), and (0.03%).

4 The ratio of expenses to average net assets for the period net of reduction from broker commission abatement arrangements was 0.34%.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$69.89	\$86.03	\$61.84	\$66.06	\$66.35
Investment Operations					
Net Investment Income ¹	1.248	1.098	.950	1.027	1.426
Net Realized and Unrealized Gain (Loss) on Investments	3.406	(10.716)	28.341	1.065	4.675
Total from Investment Operations	4.654	(9.618)	29.291	2.092	6.101
Distributions					
Dividends from Net Investment Income	(1.204)	(1.074)	(.972)	(1.178)	(1.547)
Distributions from Realized Capital Gains	(3.740)	(5.448)	(4.129)	(5.134)	(4.844)
Total Distributions	(4.944)	(6.522)	(5.101)	(6.312)	(6.391)
Net Asset Value, End of Period	\$69.60	\$69.89	\$86.03	\$61.84	\$66.06
Total Return²	7.09%	-11.86%	49.55%	3.00%	10.93%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$39,929	\$39,677	\$46,833	\$30,992	\$34,022
Ratio of Total Expenses to Average Net Assets ³	0.26% ⁴	0.26% ⁴	0.26%	0.26%	0.25%
Ratio of Net Investment Income to Average Net Assets	1.77%	1.46%	1.22%	1.69%	2.28%
Portfolio Turnover Rate	17%	18%	20%	61%	32%

1 Calculated based on average shares outstanding.

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

3 Includes performance-based investment advisory fee increases (decreases) of (0.01%), (0.01%), (0.00%), (0.01%), and (0.03%).

4 The ratio of expenses to average net assets for the period net of reduction from broker commission abatement arrangements was 0.26%.

Notes to Financial Statements

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

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

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

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

3. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The fund may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of

the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the year ended October 31, 2023, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the 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 year ended October 31, 2023, the fund did not utilize the credit facilities or the Interfund Lending Program.

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

Taxes on foreign dividends and capital gains have been provided for in accordance with the applicable countries' tax rules and rates. Deferred foreign capital gains tax, if any, is accrued daily based upon net unrealized gains. The fund has filed tax reclaims for previously withheld taxes on dividends earned in certain European Union countries. These filings are subject to various administrative and judicial proceedings within these countries. Amounts related to these reclaims are recorded when there are no significant uncertainties as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment. Such tax reclaims and related professional fees, if any, are included in dividend income and other expenses, respectively.

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

B. The investment advisory firms Lazard Asset Management LLC, Hotchkis and Wiley Capital Management, LLC, Sanders Capital, LLC, and Aristotle Capital Management, LLC, each provide investment advisory services to a portion of the fund for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fee of Lazard Asset Management LLC is subject to quarterly adjustments based on performance relative to the S&P 500 Index for the preceding three years. The basic fee of Hotchkis and Wiley Capital Management, LLC, is subject to quarterly adjustments based on performance relative to the MSCI US Investable Market 2500 Index for the preceding five years. The basic fee of Sanders Capital, LLC, is subject to

quarterly adjustments based on performance relative to the Russell 3000 Index for the preceding five years. The basic fee of Aristotle Capital Management, LLC, is subject to quarterly adjustments based on performance relative to the S&P 500 Index since January 31, 2020.

Vanguard manages the cash reserves of the fund as described below.

For the year ended October 31, 2023, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.13% of the fund's average net assets, before a net decrease of \$5,032,000 (0.01%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund corporate management, administrative, marketing, distribution and cash management 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 October 31, 2023, the fund had contributed to Vanguard capital in the amount of \$1,799,000, representing less than 0.01% of the fund's net assets and 0.72% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

D. The fund has asked its investment advisors to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the fund part of the commissions generated. Such rebates are used solely to reduce the fund's management and administrative expenses. For the year ended October 31, 2023, these arrangements reduced the fund's expenses by \$121,000 (an annual rate of less than 0.01% of average net assets).

E. Various inputs may be used to determine the value of the fund's investments 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.

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

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	46,774,306	1,496,858	—	48,271,164
Temporary Cash Investments	1,901,291	—	—	1,901,291
Total	48,675,597	1,496,858	—	50,172,455
Derivative Financial Instruments				
Liabilities				
Futures Contracts ¹	20,642	—	—	20,642

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

F. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for applicable foreign currency transactions and distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	75,718
Total Distributable Earnings (Loss)	(75,718)

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

	Amount (\$000)
Undistributed Ordinary Income	756,088
Undistributed Long-Term Gains	1,447,777
Net Unrealized Gains (Losses)	13,166,262
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Other Temporary Differences	—
Total	15,370,127

The tax character of distributions paid was as follows:

	Year Ended October 31,	
	2023 Amount (\$000)	2022 Amount (\$000)
Ordinary Income*	864,330	1,414,463
Long-Term Capital Gains	2,673,983	3,165,369
Total	3,538,313	4,579,832

* Includes short-term capital gains, if any.

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

	Amount (\$000)
Tax Cost	37,006,227
Gross Unrealized Appreciation	15,768,673
Gross Unrealized Depreciation	(2,602,444)
Net Unrealized Appreciation (Depreciation)	13,166,229

G. During the year ended October 31, 2023, the fund purchased \$8,525,083,000 of investment securities and sold \$11,430,575,000 of investment securities, other than temporary cash investments.

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

	Year Ended October 31,			
	2023		2022	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	321,789	8,059	594,292	13,465
Issued in Lieu of Cash Distributions	725,857	19,498	986,376	22,623
Redeemed	(1,428,196)	(35,765)	(2,017,891)	(46,545)
Net Increase (Decrease)—Investor Shares	(380,550)	(8,208)	(437,223)	(10,457)
Admiral Shares				
Issued	1,703,062	24,125	2,903,794	37,328
Issued in Lieu of Cash Distributions	2,612,310	39,534	3,344,538	43,301
Redeemed	(4,062,155)	(57,683)	(4,321,803)	(57,306)
Net Increase (Decrease)—Admiral Shares	253,217	5,976	1,926,529	23,323

I. 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.

J. Management has determined that no events or transactions occurred subsequent to October 31, 2023, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Windsor Funds and Shareholders of Vanguard Windsor II Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vanguard Windsor II Fund (one of the funds constituting Vanguard Windsor Funds, referred to hereafter as the "Fund") as of October 31, 2023, the related statement of operations for the year ended October 31, 2023, the statement of changes in net assets for each of the two years in the period ended October 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of October 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended October 31, 2023 and the financial highlights for each of the five years in the period ended October 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
December 19, 2023

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

Tax information (unaudited)

For corporate shareholders, 52.5%, or if subsequently determined to be different, the maximum percentage allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction.

The fund hereby designates \$864,283,000, or if subsequently determined to be different, the maximum amount allowable by law, as qualified dividend income for individual shareholders for the fiscal year.

The fund hereby designates \$26,001,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

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

The fund distributed \$2,731,429,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

The People Who Govern Your Fund

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

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

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

Interested Trustee¹

Mortimer J. Buckley

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

Independent Trustees

Tara Bunch

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

Emerson U. Fullwood

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

F. Joseph Loughrey

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

Mark Loughridge

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

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

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

Scott C. Malpass

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

Deanna Mulligan

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

André F. Perold

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

Sarah Bloom Raskin

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

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

Grant Reid

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

David Thomas

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

Peter F. Volanakis

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

Executive Officers

Jacqueline Angell

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

Christine M. Buchanan

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

John Galloway

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

Ashley Grim

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

Jodi Miller

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

Anne E. Robinson

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

Michael Rollings

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

Vanguard Senior Management Team

Matthew Benchener

Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

Chris D. McIsaac

Thomas M. Rampulla

Karin A. Risi

Anne E. Robinson

Michael Rollings

Nitin Tandon

Lauren Valente



Connect with Vanguard® > [vanguard.com](https://www.vanguard.com)

Fund Information > 800-662-7447

Direct Investor Account Services > 800-662-2739

Institutional Investor Services > 800-523-1036

Text Telephone for People Who Are Deaf or Hard of Hearing > 800-749-7273

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

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

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

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

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