

Semiannual Report | March 31, 2024

Vanguard Strategic Equity 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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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 March 31, 2024

Strategic Equity Fund	Beginning Account Value 9/30/2023	Ending Account Value 3/31/2024	Expenses Paid During Period
Based on Actual Fund Return	\$1,000.00	\$1,244.30	\$0.95
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.15	0.86

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratio for that period is 0.17%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (183/366).

Strategic Equity Fund

Fund Allocation

As of March 31, 2024

Communication Services	3.1%
Consumer Discretionary	12.2
Consumer Staples	3.5
Energy	4.1
Financials	15.6
Health Care	10.5
Industrials	19.8
Information Technology	14.8
Materials	5.7
Real Estate	6.0
Utilities	4.7

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 (unaudited)

Schedule of Investments

As of March 31, 2024

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

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Common Stocks (99.4%)					
Communication Services (3.0%)					
* Yelp Inc.	975,125	38,420	Tapestry Inc.	594,030	28,205
* Match Group Inc.	902,996	32,761	Boyd Gaming Corp.	401,891	27,055
* TripAdvisor Inc.	1,061,682	29,504	* Tri Pointe Homes Inc.	659,713	25,504
* Pinterest Inc. Class A	755,651	26,198	* Urban Outfitters Inc.	543,974	23,619
* Live Nation Entertainment Inc.	229,525	24,277	* Abercrombie & Fitch Co. Class A	184,525	23,126
* Liberty Global Ltd. Class A	854,247	14,454	KB Home	320,328	22,705
John Wiley & Sons Inc. Class A	264,153	10,072	Lear Corp.	144,358	20,915
* Roblox Corp. Class A	233,866	8,929	Bath & Body Works Inc.	413,349	20,676
* ZipRecruiter Inc. Class A	715,581	8,222	Harley-Davidson Inc.	457,092	19,993
* Bumble Inc. Class A	596,693	6,772	* Royal Caribbean Cruises Ltd.	121,301	16,862
New York Times Co. Class A	147,832	6,389	Wingstop Inc.	45,887	16,813
* News Corp. Class B	225,792	6,110	Autoliv Inc.	126,236	15,203
* Liberty Media Corp. - Liberty SiriusXM Class C	196,843	5,848	* M/I Homes Inc.	110,036	14,997
* Roku Inc.	89,267	5,818	* Green Brick Partners Inc.	226,385	13,635
* Snap Inc. Class A	492,427	5,653	* Ulta Beauty Inc.	26,013	13,602
Iridium Communications Inc.	189,363	4,954	* Skyline Champion Corp.	159,708	13,577
* PubMatic Inc. Class A	206,789	4,905	Buckle Inc.	325,170	13,095
Playtika Holding Corp.	514,546	3,628	* frontdoor Inc.	388,255	12,649
* Lumen Technologies Inc.	2,295,270	3,581	* United Parks & Resorts Inc.	207,276	11,651
Telephone and Data Systems Inc.	127,656	2,045	Murphy USA Inc.	26,946	11,296
* Madison Square Garden Entertainment Corp.	43,063	1,688	Nordstrom Inc.	543,848	11,024
Shutterstock Inc.	33,813	1,549	* Grand Canyon Education Inc.	77,772	10,593
Fox Corp. Class B	53,838	1,541	* Stride Inc.	163,011	10,278
* Altice USA Inc. Class A	537,116	1,402	* Carnival Corp.	614,194	10,036
* Integral Ad Science Holding Corp.	133,710	1,333	* Goodyear Tire & Rubber Co.	702,963	9,652
Cable One Inc.	2,118	896	* Cavco Industries Inc.	24,158	9,640
		256,949	* Caesars Entertainment Inc.	218,571	9,560
Consumer Discretionary (12.2%)					
* Genuine Parts Co.	372,208	57,666	* Dave & Buster's Entertainment Inc.	150,674	9,432
* MGM Resorts International	1,097,329	51,805	Wynn Resorts Ltd.	86,243	8,817
* NVR Inc.	6,100	49,410	* Shake Shack Inc. Class A	81,869	8,517
* PulteGroup Inc.	373,831	45,091	* Brinker International Inc.	164,811	8,188
* Expedia Group Inc.	317,630	43,754	Dana Inc.	643,366	8,171
* AutoNation Inc.	216,191	35,797	* Everi Holdings Inc.	759,099	7,629
* Taylor Morrison Home Corp.	549,262	34,148	* Beazer Homes USA Inc.	228,774	7,504
Travel & Leisure Co.	681,911	33,386	* Qurate Retail Inc. Series A	5,966,896	7,339
Gap Inc.	1,131,037	31,160	* Adient plc	214,287	7,054
Toll Brothers Inc.	230,967	29,880	Upbound Group Inc.	185,099	6,517
			* G-III Apparel Group Ltd.	223,566	6,486
			* Valvoline Inc.	141,924	6,326
			* Wayfair Inc. Class A	90,427	6,138
			* Carvana Co.	66,626	5,857
			* Norwegian Cruise Line Holdings Ltd.	268,348	5,616
			American Eagle Outfitters Inc.	208,161	5,368

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Gentex Corp.	141,906	5,126	CONSOL Energy Inc.	143,046	11,982
* Chewy Inc. Class A	314,717	5,007	* Plains GP Holdings LP Class A	555,389	10,136
* ODP Corp.	94,265	5,001	* Oceanearing International Inc.	380,929	8,914
PVH Corp.	35,476	4,988	Liberty Energy Inc.	327,025	6,776
* Sally Beauty Holdings Inc.	364,474	4,527	Dorian LPG Ltd.	169,174	6,506
Macy's Inc.	199,114	3,980	* US Silica Holdings Inc.	421,152	5,227
Domino's Pizza Inc.	7,950	3,950	Helmerich & Payne Inc.	87,195	3,667
* Mohawk Industries Inc.	30,151	3,946	* Nabors Industries Ltd. (XNYS)	41,171	3,546
* Visteon Corp.	33,194	3,904	Delek US Holdings Inc.	49,587	1,524
* Fox Factory Holding Corp.	60,325	3,141	* ProPetro Holding Corp.	156,677	1,266
* Adtalem Global Education Inc.	55,104	2,832			343,112
Phinia Inc.	64,729	2,488	Financials (15.5%)		
* American Axle & Manufacturing Holdings Inc.	326,899	2,406	MGIC Investment Corp.	2,556,700	57,168
Patrick Industries Inc.	18,648	2,228	* Robinhood Markets Inc. Class A	2,833,170	57,032
Dine Brands Global Inc.	38,239	1,777	Equitable Holdings Inc.	1,325,278	50,374
ADT Inc.	238,713	1,604	Affiliated Managers Group Inc.	291,542	48,825
* Coursera Inc.	111,962	1,570	Essent Group Ltd.	819,030	48,740
* Etsy Inc.	22,057	1,516	Citizens Financial Group Inc.	1,262,225	45,806
* Warby Parker Inc. Class A	103,439	1,408	* Coinbase Global Inc. Class A	172,117	45,632
		1,024,416	* Arch Capital Group Ltd.	472,685	43,695
Consumer Staples (3.5%)			Huntington Bancshares Inc.	2,781,187	38,798
Coca-Cola Consolidated Inc.	50,390	42,651	CNO Financial Group Inc.	1,381,511	37,964
Conagra Brands Inc.	1,119,120	33,171	Radian Group Inc.	1,112,741	37,243
J M Smucker Co.	258,569	32,546	First BanCorp (XNYS)	1,873,251	32,857
Ingles Markets Inc. Class A	246,182	18,877	Popular Inc.	346,843	30,553
* BellRing Brands Inc.	299,345	17,670	SLM Corp.	1,366,044	29,766
Molson Coors Beverage Co. Class B	236,143	15,881	Everest Group Ltd.	74,604	29,655
Clorox Co.	94,048	14,400	Loews Corp.	373,291	29,225
* Post Holdings Inc.	120,992	12,859	Axis Capital Holdings Ltd.	426,238	27,714
* Performance Food Group Co.	144,007	10,749	American Financial Group Inc.	201,567	27,510
McCormick & Co. Inc.	133,637	10,265	W R Berkley Corp.	310,304	27,443
Church & Dwight Co. Inc.	95,428	9,954	Globe Life Inc.	224,598	26,136
* Simply Good Foods Co.	278,273	9,470	Stifel Financial Corp.	329,441	25,752
Bunge Global SA	84,593	8,672	FNB Corp.	1,811,230	25,538
Flowers Foods Inc.	358,137	8,506	* Mr Cooper Group Inc.	322,965	25,175
Energizer Holdings Inc.	253,475	7,462	Old Republic International Corp.	786,179	24,151
* Pilgrim's Pride Corp.	213,867	7,340	Regions Financial Corp.	1,134,237	23,864
Casey's General Stores Inc.	22,797	7,260	Ares Management Corp. Class A	176,809	23,512
PriceSmart Inc.	80,720	6,780	Lincoln National Corp.	730,881	23,337
Vector Group Ltd.	473,296	5,187	Cboe Global Markets Inc.	116,609	21,425
USANA Health Sciences Inc.	72,128	3,498	International Bancshares Corp.	345,885	19,418
* United Natural Foods Inc.	257,447	2,958	Reinsurance Group of America Inc.	96,277	18,570
WK Kellogg Co.	156,468	2,941	Webster Financial Corp.	351,059	17,823
Medifast Inc.	73,665	2,823	Columbia Banking System Inc.	864,266	16,724
Reynolds Consumer Products Inc.	62,567	1,787	Synovus Financial Corp.	397,552	15,926
* Hain Celestial Group Inc.	189,681	1,491	Hancock Whitney Corp.	325,850	15,002
* TreeHouse Foods Inc.	37,994	1,480	Federated Hermes Inc.	414,855	14,985
		296,678	First Horizon Corp.	895,783	13,795
Energy (4.1%)			Virtu Financial Inc. Class A	645,159	13,239
Marathon Oil Corp.	1,969,920	55,828	Wintrust Financial Corp.	104,760	10,936
Diamondback Energy Inc.	265,966	52,706	Brown & Brown Inc.	121,209	10,611
APA Corp.	1,065,421	36,629	Unum Group	193,437	10,380
Baker Hughes Co.	958,602	32,113	BankUnited Inc.	315,752	8,841
SM Energy Co.	512,718	25,559			
* Par Pacific Holdings Inc.	684,141	25,354			
Murphy Oil Corp.	465,684	21,282			
HF Sinclair Corp.	341,106	20,593			
International Seaways Inc.	253,837	13,504			

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Jackson Financial Inc. Class A	129,605	8,572	* Jazz Pharmaceuticals plc	130,850	15,757
* NMI Holdings Inc. Class A	255,477	8,262	* Ionis Pharmaceuticals Inc.	359,940	15,603
Corebridge Financial Inc.	271,883	7,811	* Veeva Systems Inc. Class A	67,203	15,570
BOK Financial Corp.	72,889	6,706	* Fate Therapeutics Inc.	2,097,908	15,399
Associated Banc-Corp.	311,110	6,692	* DaVita Inc.	107,008	14,772
Fifth Third Bancorp	178,094	6,627	* Merit Medical Systems Inc.	174,119	13,190
PROG Holdings Inc.	190,891	6,574	* Haemonetics Corp.	153,319	13,086
* AvidXchange Holdings Inc.	482,750	6,348	* Sarepta Therapeutics Inc.	98,857	12,798
OFG Bancorp	168,391	6,198	* Avantor Inc.	485,373	12,411
* Customers Bancorp Inc.	113,353	6,015	* LivaNova plc	219,048	12,254
Primerica Inc.	23,549	5,957	* Deciphera Pharmaceuticals Inc.	74,816	11,763
* LendingClub Corp.	676,439	5,946	* Exact Sciences Corp.	156,252	10,791
Janus Henderson Group plc	177,777	5,847	* Integra LifeSciences Holdings Corp.	302,694	10,730
Tradeweb Markets Inc. Class A	55,392	5,770	Encompass Health Corp. West Pharmaceutical Services Inc.	23,309	9,224
Assurant Inc.	27,853	5,243	* Charles River Laboratories International Inc.	33,878	9,179
WSFS Financial Corp.	98,844	4,462	* Ironwood Pharmaceuticals Inc.	1,044,936	9,101
Ameris Bancorp	90,778	4,392	* Bio-Rad Laboratories Inc. Class A	23,368	8,082
State Street Corp.	54,670	4,227	* DENTSPLY SIRONA Inc.	218,493	7,252
BrightSphere Investment Group Inc.	173,942	3,973	* GoodRx Holdings Inc. Class A	1,017,624	7,225
First Citizens BancShares Inc. Class A	2,075	3,393	* ACADIA Pharmaceuticals Inc.	373,360	6,903
* Marqeta Inc. Class A	551,875	3,289	* Mettler-Toledo International Inc.	4,633	6,168
OneMain Holdings Inc.	58,398	2,984	* Traver Therapeutics Inc.	780,844	6,020
Simmons First National Corp. Class A	151,710	2,952	* Blueprint Medicines Corp.	58,457	5,545
James River Group Holdings Ltd.	314,513	2,925	* Neurocrine Biosciences Inc.	38,774	5,348
Synchrony Financial	64,407	2,777	* PediatrIX Medical Group Inc.	492,520	4,940
* Cannae Holdings Inc.	107,891	2,399	* Novavax Inc.	925,254	4,423
First Hawaiian Inc.	108,135	2,375	* Vir Biotechnology Inc.	431,824	4,374
Zions Bancorp NA	41,961	1,821	* Coherus Biosciences Inc.	1,705,512	4,076
Navient Corp.	104,480	1,818	* Omnicell Inc.	136,236	3,982
Jefferies Financial Group Inc.	38,533	1,699	* Agenesis Inc.	6,846,699	3,971
* Texas Capital Bancshares Inc.	26,987	1,661	* 2seventy bio Inc.	702,787	3,760
* Genworth Financial Inc. Class A	255,195	1,641	* Nevro Corp.	257,024	3,711
S&T Bancorp Inc.	41,921	1,345	* MacroGenics Inc.	248,014	3,651
* Affirm Holdings Inc.	35,577	1,326	* Editas Medicine Inc.	486,795	3,612
		1,301,167	* Inovio Pharmaceuticals Inc.	250,144	3,472
Health Care (10.4%)			* Sage Therapeutics Inc.	177,783	3,332
* Tenet Healthcare Corp.	603,718	63,457	* Health Catalyst Inc.	437,940	3,298
Chemed Corp.	72,455	46,511	* Enanta Pharmaceuticals Inc.	180,741	3,156
Cardinal Health Inc.	393,995	44,088	* Myriad Genetics Inc.	141,803	3,023
* Incyte Corp.	766,872	43,689	* Owens & Minor Inc.	108,678	3,011
Bruker Corp.	380,869	35,779	* Cencora Inc.	12,384	3,009
* IQVIA Holdings Inc.	110,822	28,026	Select Medical Holdings Corp.	98,076	2,957
* Option Care Health Inc.	745,068	24,990	* Integer Holdings Corp.	25,172	2,937
* Ultragenyx Pharmaceutical Inc.	510,282	23,825	* Beam Therapeutics Inc.	87,679	2,897
* PTC Therapeutics Inc.	814,425	23,692	* Puma Biotechnology Inc.	540,434	2,864
* Alkermes plc	798,554	21,617	Perrigo Co. plc	87,470	2,816
Organon & Co.	1,100,327	20,686	* Premier Inc. Class A	116,493	2,574
Universal Health Services Inc. Class B	108,045	19,714	* CorVel Corp.	8,550	2,248
* Insulet Corp.	114,640	19,649	* Prestige Consumer Healthcare Inc.	30,585	2,219
* Medpace Holdings Inc.	47,480	19,189	* Supernus Pharmaceuticals Inc.	63,434	2,164
* Teladoc Health Inc.	1,228,047	18,544	* Xencor Inc.	97,625	2,160
* Elanco Animal Health Inc. (XNYS)	1,084,983	17,664			
* Cooper Cos. Inc.	169,120	17,159			
* Exelixis Inc.	698,550	16,577			

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* BioCryst Pharmaceuticals Inc.	402,094	2,043	CSG Systems International Inc.	289,870	14,940
* Inspire Medical Systems Inc.	9,192	1,974	Watts Water Technologies Inc. Class A	69,517	14,776
* Community Health Systems Inc.	560,085	1,960	* Clean Harbors Inc.	71,952	14,485
* Rapt Therapeutics Inc.	209,381	1,880	Atkore Inc.	75,029	14,283
* Molina Healthcare Inc.	4,149	1,705	SS&C Technologies Holdings Inc.	220,574	14,198
* Ventyx Biosciences Inc.	285,562	1,571	Ingersoll Rand Inc. (XYNS)	149,460	14,191
* Nektar Therapeutics	1,517,103	1,417	* Masterbrand Inc.	731,574	13,710
* Penumbra Inc.	6,330	1,413	Huntington Ingalls Industries Inc.	46,529	13,562
* Arcturus Therapeutics Holdings Inc.	36,983	1,249	Comfort Systems USA Inc.	39,806	12,647
* Emergent BioSolutions Inc.	481,777	1,219	Woodward Inc.	79,284	12,219
* Veracyte Inc.	53,525	1,186	Dover Corp.	68,806	12,192
* Atea Pharmaceuticals Inc.	278,408	1,125	Hubbell Inc.	28,156	11,686
* iTeos Therapeutics Inc.	76,718	1,046	Curtiss-Wright Corp.	44,994	11,516
* Joint Corp.	66,951	874	Brink's Co.	123,555	11,414
* FibroGen Inc.	165,193	388	EnerSys	117,734	11,121
* Sangamo Therapeutics Inc.	467,930	314	* Gates Industrial Corp. plc	621,419	11,005
		879,535	Vertiv Holdings Co. Class A	119,088	9,726
Industrials (19.7%)			Jacobs Solutions Inc.	48,155	7,403
Ferguson plc	355,081	77,560	Sensata Technologies Holding plc	198,649	7,298
* Builders FirstSource Inc.	348,297	72,637	Flowserve Corp.	135,857	6,206
Textron Inc.	685,258	65,737	Arcosa Inc.	69,831	5,996
Owens Corning	378,931	63,206	MillerKnoll Inc.	230,449	5,706
EMCOR Group Inc.	175,440	61,439	* Blue Bird Corp.	134,218	5,146
Delta Air Lines Inc.	1,233,283	59,037	Air Lease Corp.	95,722	4,924
Allison Transmission Holdings Inc.	706,535	57,342	Ennis Inc.	238,646	4,895
Masco Corp.	663,049	52,301	* Janus International Group Inc.	316,026	4,781
Veralto Corp.	518,397	45,961	* TrueBlue Inc.	360,610	4,515
Paycom Software Inc.	230,563	45,884	Primoris Services Corp.	103,643	4,412
Applied Industrial Technologies Inc.	210,889	41,661	Forward Air Corp.	126,005	3,920
* Beacon Roofing Supply Inc.	402,753	39,478	* MYR Group Inc.	19,882	3,514
* Core & Main Inc. Class A	659,704	37,768	Steelcase Inc. Class A	266,898	3,491
* GMS Inc.	370,108	36,026	Franklin Electric Co. Inc.	29,559	3,157
AGCO Corp.	283,890	34,924	Hub Group Inc. Class A	61,300	2,649
Ryder System Inc.	284,581	34,204	* Sterling Infrastructure Inc.	23,821	2,628
* United Airlines Holdings Inc.	714,030	34,188	* ASGN Inc.	24,815	2,600
UFP Industries Inc.	258,720	31,825	XPO Inc.	21,120	2,577
Griffon Corp.	373,341	27,381	MDU Resources Group Inc.	96,365	2,428
Wabash National Corp.	906,507	27,141	ArcBest Corp.	16,814	2,396
* CACI International Inc. Class A	70,212	26,598	Genco Shipping & Trading Ltd.	117,466	2,388
Terex Corp.	400,278	25,778	ABM Industries Inc.	51,008	2,276
Boise Cascade Co.	167,442	25,681	Vestis Corp.	115,794	2,231
Graco Inc.	265,514	24,815	Esab Corp.	19,346	2,139
* Kirby Corp.	253,977	24,209	* Cimpress plc	24,017	2,126
Acuity Brands Inc.	89,719	24,110	* SPX Technologies Inc.	16,208	1,996
ManpowerGroup Inc.	307,571	23,880	REV Group Inc.	90,036	1,989
Rush Enterprises Inc. Class A	415,470	22,236	Oshkosh Corp.	14,808	1,847
* Upwork Inc.	1,707,977	20,940	Matson Inc.	16,402	1,844
Herc Holdings Inc.	117,785	19,823	* Gibraltar Industries Inc.	22,215	1,789
* SkyWest Inc.	277,568	19,174	Tennant Co.	14,437	1,756
Korn Ferry	284,793	18,728	* WillScot Mobile Mini Holdings Corp.	33,577	1,561
Donaldson Co. Inc.	249,328	18,620			1,656,829
Expeditors International of Washington Inc.	152,727	18,567	Information Technology (14.7%)		
Brady Corp. Class A	304,065	18,025	Hewlett Packard Enterprise Co.	3,737,453	66,265
* Legalzoom.com Inc.	1,277,530	17,042	* Manhattan Associates Inc.	230,709	57,730
WW Grainger Inc.	15,306	15,571	* F5 Inc.	263,407	49,939
* ExlService Holdings Inc.	474,105	15,077	* DocuSign Inc.	809,594	48,211
			* Cirrus Logic Inc.	504,940	46,737

Strategic Equity Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Cadence Design Systems Inc.	140,608	43,768	* Synaptics Inc.	15,660	1,528
* GoDaddy Inc. Class A	349,228	41,446	* Ciena Corp.	30,665	1,516
* Arrow Electronics Inc.	303,261	39,260	* LivePerson Inc.	1,312,306	1,309
* Amkor Technology Inc.	1,188,086	38,304	* Alpha & Omega Semiconductor Ltd.	55,692	1,227
* Flex Ltd.	1,333,885	38,162			1,238,589
* Nutanix Inc. Class A	602,585	37,192	Materials (5.7%)		
* Super Micro Computer Inc.	36,470	36,836	Reliance Inc.	180,006	60,154
* NetApp Inc.	349,957	36,735	Eagle Materials Inc.	218,642	59,416
* RingCentral Inc. Class A	1,044,191	36,275	Martin Marietta Materials Inc.	95,358	58,544
* Twilio Inc. Class A	579,241	35,421	Steel Dynamics Inc.	316,009	46,842
* Palantir Technologies Inc. Class A	1,410,462	32,455	Packaging Corp. of America	232,322	44,090
* Pure Storage Inc. Class A	582,762	30,298	Berry Global Group Inc.	621,891	37,612
* SMART Global Holdings Inc.	989,632	26,047	* Axalta Coating Systems Ltd.	914,007	31,433
* Elastic NV	253,940	25,455	Commercial Metals Co.	446,754	26,256
* Kyndryl Holdings Inc.	1,149,858	25,021	Warrior Met Coal Inc.	276,319	16,773
* Blackline Inc.	366,256	23,653	RPM International Inc.	128,958	15,339
* Teradata Corp.	589,607	22,800	Sonoco Products Co.	253,412	14,657
* CommVault Systems Inc.	223,693	22,689	Greif Inc. Class A	172,818	11,933
* Pegasystems Inc.	343,411	22,198	* O-I Glass Inc.	664,812	11,029
* MaxLinear Inc.	985,942	18,408	AptarGroup Inc.	63,927	9,198
* Western Digital Corp.	265,173	18,095	Carpenter Technology Corp.	111,691	7,977
* Avnet Inc.	330,845	16,403	* Metallus Inc.	282,836	6,293
* Dropbox Inc. Class A	626,780	15,231	Element Solutions Inc.	229,492	5,733
* Okta Inc.	141,107	14,763	Chemours Co.	201,330	5,287
* HubSpot Inc.	22,569	14,141	Vulcan Materials Co.	12,486	3,408
* Qorvo Inc.	119,490	13,721	Materion Corp.	24,340	3,207
* Zscaler Inc.	66,940	12,895	Sylvamo Corp.	34,694	2,142
* TD SYNNEX Corp.	110,138	12,457	Sensient Technologies Corp.	27,646	1,913
* Axcelis Technologies Inc.	110,055	12,273	Radius Recycling Inc.	35,635	753
* Sanmina Corp.	194,078	12,068			479,989
* Diodes Inc.	148,563	10,474	Real Estate (6.0%)		
* MongoDB Inc.	29,189	10,468	Host Hotels & Resorts Inc.	2,662,971	55,070
* Ultra Clean Holdings Inc.	218,071	10,018	Park Hotels & Resorts Inc.	2,668,150	46,666
* Q2 Holdings Inc.	190,067	9,990	Brixmor Property Group Inc.	1,890,813	44,340
* Xerox Holdings Corp.	554,618	9,928	RLJ Lodging Trust	2,274,746	26,887
* Samsara Inc. Class A	248,792	9,402	Kite Realty Group Trust	1,196,177	25,933
* Monolithic Power Systems Inc.	13,760	9,321	American Homes 4 Rent Class A	655,855	24,122
* Cloudflare Inc. Class A	94,722	9,172	Cousins Properties Inc.	910,216	21,882
* Smartsheet Inc. Class A	221,508	8,528	Invitation Homes Inc.	504,290	17,958
* Rapid7 Inc.	173,381	8,503	DiamondRock Hospitality Co.	1,737,256	16,695
* Domo Inc. Class B	872,817	7,785	Apple Hospitality REIT Inc.	990,820	16,230
* Yext Inc.	1,288,316	7,769	NNN REIT Inc.	361,876	15,467
* Jabil Inc.	51,641	6,917	EPR Properties	360,733	15,313
* CommScope Holding Co. Inc.	5,236,001	6,859	Kimco Realty Corp.	703,574	13,797
* LiveRamp Holdings Inc.	188,058	6,488	Highwoods Properties Inc.	520,689	13,632
* Infinaera Corp.	970,864	5,854	Healthpeak Properties Inc.	721,994	13,537
* DigitalOcean Holdings Inc.	136,821	5,224	Kilroy Realty Corp.	366,825	13,363
* Cohu Inc.	154,512	5,150	Redfin Corp.	1,956,571	13,011
* Unisys Corp.	1,001,495	4,917	* Zillow Group Inc. Class C	266,077	12,979
* UiPath Inc. Class A	185,186	4,198	Mid-America Apartment Communities Inc.	94,131	12,386
* Squarespace Inc. Class A	114,454	4,171	Xenia Hotels & Resorts Inc.	789,803	11,855
* 8x8 Inc.	1,507,087	4,069	* Opendoor Technologies Inc.	2,965,584	8,986
* Extreme Networks Inc.	332,033	3,832	Broadstone Net Lease Inc.	493,201	7,728
* Photronics Inc.	129,199	3,659	UDR Inc.	158,619	5,934
* Ichor Holdings Ltd.	66,869	2,582	Gaming and Leisure Properties Inc.	117,722	5,423
* HashiCorp Inc. Class A	95,425	2,572	Sabra Health Care REIT Inc.	358,614	5,297
* Itron Inc.	25,904	2,397	* CBRE Group Inc. Class A	45,179	4,393
* NCR Voyix Corp.	175,017	2,210			
* Appian Corp. Class A	49,735	1,987			
* Viavi Solutions Inc.	195,472	1,777			
* CDW Corp.	6,797	1,739			
* FormFactor Inc.	37,193	1,697			

Strategic Equity Fund

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Piedmont Office Realty Trust Inc. Class A	616,424	4,333	Avista Corp.	89,362	3,130
Ryman Hospitality Properties Inc.	35,505	4,105	CenterPoint Energy Inc.	64,444	1,836
COPT Defense Properties	165,168	3,992			389,032
Urban Edge Properties	222,730	3,847	Total Common Stocks		(Cost \$6,524,378)
Universal Health Realty Income Trust	94,854	3,482			8,368,972
Brandywine Realty Trust	708,505	3,401	Temporary Cash Investments (0.6%)		
Tanger Inc.	101,462	2,996	Money Market Fund (0.6%)		
* Equity Commonwealth SITE Centers Corp.	129,229	2,440	^{2,3} Vanguard Market Liquidity Fund, 5.407% (Cost \$45,900)	459,127	45,904
Newmark Group Inc. Class A	147,620	1,637	Total Investments (100.0%)		
Paramount Group Inc.	239,341	1,123	(Cost \$6,570,278)		8,414,876
		502,676	Other Assets and Liabilities—Net (0.0%)		1,566
Utilities (4.6%)			Net Assets (100%)		8,416,442
Vistra Corp.	1,214,744	84,607			
Evegy Inc.	865,545	46,203			
National Fuel Gas Co.	793,978	42,653			
NiSource Inc.	1,480,696	40,956			
Edison International	441,142	31,202			
Entergy Corp.	250,039	26,424			
DTE Energy Co.	221,058	24,789			
Black Hills Corp.	453,578	24,765			
Ameren Corp.	247,995	18,342			
ALLETE Inc.	196,503	11,719			
AES Corp.	651,407	11,680			
UGI Corp.	368,916	9,053			
Pinnacle West Capital Corp.	97,494	7,286			
New Jersey Resources Corp.	102,245	4,387			

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 \$8,718,000.
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 \$9,936,000 was received for securities on loan.
REIT—Real Estate Investment Trust.

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 Russell 2000 Index	June 2024	310	33,261	797
E-mini S&P 500 Index	June 2024	57	15,129	286
				<u>1,083</u>

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

Statement of Assets and Liabilities

As of March 31, 2024

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value ¹	
Unaffiliated Issuers (Cost \$6,524,378)	8,368,972
Affiliated Issuers (Cost \$45,900)	45,904
Total Investments in Securities	8,414,876
Investment in Vanguard	244
Cash Collateral Pledged—Futures Contracts	2,693
Receivables for Investment Securities Sold	14,204
Receivables for Accrued Income	9,653
Receivables for Capital Shares Issued	2,107
Variation Margin Receivable—Futures Contracts	107
Total Assets	8,443,884
Liabilities	
Due to Custodian	1,100
Payables for Investment Securities Purchased	137
Collateral for Securities on Loan	9,936
Payables for Capital Shares Redeemed	15,654
Payables to Vanguard	615
Total Liabilities	27,442
Net Assets	8,416,442

¹ Includes \$8,718,000 of securities on loan.

At March 31, 2024, net assets consisted of:

Paid-in Capital	6,294,578
Total Distributable Earnings (Loss)	2,121,864
Net Assets	8,416,442

Net Assets

Applicable to 223,451,352 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	8,416,442
Net Asset Value Per Share	\$37.67

Statement of Operations

Six Months Ended
March 31, 2024

(\$000)

Investment Income	
Income	
Dividends	58,337
Interest ¹	818
Securities Lending—Net	789
Total Income	59,944
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,243
Management and Administrative	4,863
Marketing and Distribution	188
Custodian Fees	18
Shareholders' Reports	55
Trustees' Fees and Expenses	3
Other Expenses	8
Total Expenses	6,378
Expenses Paid Indirectly	(3)
Net Expenses	6,375
Net Investment Income	53,569
Realized Net Gain (Loss)	
Investment Securities Sold ¹	269,227
Futures Contracts	4,734
Realized Net Gain (Loss)	273,961
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	1,345,275
Futures Contracts	1,426
Change in Unrealized Appreciation (Depreciation)	1,346,701
Net Increase (Decrease) in Net Assets Resulting from Operations	1,674,231

¹ Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$756,000, \$1,000, less than \$1,000, and (\$3,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	53,569	109,851
Realized Net Gain (Loss)	273,961	355,549
Change in Unrealized Appreciation (Depreciation)	1,346,701	603,046
Net Increase (Decrease) in Net Assets Resulting from Operations	1,674,231	1,068,446
Distributions		
Total Distributions	(451,873)	(734,587)
Capital Share Transactions		
Issued	266,838	528,122
Issued in Lieu of Cash Distributions	420,161	682,721
Redeemed	(520,767)	(852,843)
Net Increase (Decrease) from Capital Share Transactions	166,232	358,000
Total Increase (Decrease)	1,388,590	691,859
Net Assets		
Beginning of Period	7,027,852	6,335,993
End of Period	8,416,442	7,027,852

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

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended March 31,	Year Ended September 30,				
	2024	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$32.13	\$30.70	\$44.07	\$30.31	\$31.87	\$37.21
Investment Operations						
Net Investment Income ¹	.242	.503	.517	.465	.459	.449
Net Realized and Unrealized Gain (Loss) on Investments	7.399	4.527	(5.606)	13.937	(1.041)	(2.980)
Total from Investment Operations	7.641	5.030	(5.089)	14.402	(.582)	(2.531)
Distributions						
Dividends from Net Investment Income	(.518)	(.457)	(.526)	(.479)	(.444)	(.395)
Distributions from Realized Capital Gains	(1.583)	(3.143)	(7.755)	(.163)	(.534)	(2.414)
Total Distributions	(2.101)	(3.600)	(8.281)	(.642)	(.978)	(2.809)
Net Asset Value, End of Period	\$37.67	\$32.13	\$30.70	\$44.07	\$30.31	\$31.87
Total Return²	24.43%	16.99%	-14.81%	47.98%	-2.09%	-5.63%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$8,416	\$7,028	\$6,336	\$7,866	\$5,836	\$7,098
Ratio of Total Expenses to Average Net Assets	0.17% ³	0.17% ³	0.17%	0.17%	0.17%	0.17%
Ratio of Net Investment Income to Average Net Assets	1.40%	1.54%	1.39%	1.15%	1.53%	1.42%
Portfolio Turnover Rate	26%	64%	62%	59%	61%	60%

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

1 Calculated based on average shares outstanding.

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

3 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.17%.

Notes to Financial Statements

Vanguard Strategic Equity Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund.

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 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 six months ended March 31, 2024, 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.

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

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

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

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

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

For the six months ended March 31, 2024, the fund did not utilize the credit facilities or the Interfund Lending Program.

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

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 March 31, 2024, the fund had contributed to Vanguard capital in the amount of \$244,000, representing less than 0.01% of the fund's net assets and 0.10% 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 March 31, 2024, custodian fee offset arrangements reduced the fund's expenses by \$3,000 (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.

At March 31, 2024, 100% of the market value of the fund's investments and derivatives was determined based on Level 1 inputs.

E. As of March 31, 2024, 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	6,579,251
Gross Unrealized Appreciation	2,192,724
Gross Unrealized Depreciation	(356,016)
Net Unrealized Appreciation (Depreciation)	1,836,708

F. During the six months ended March 31, 2024, the fund purchased \$1,924,063,000 of investment securities and sold \$2,145,903,000 of investment securities, other than temporary cash investments.

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 March 31, 2024, such purchases were \$9,156,000 and sales were \$3,570,000, resulting in net realized gain of \$111,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

G. Capital shares issued and redeemed were:

	Six Months Ended March 31, 2024	Year Ended September 30, 2023
	Shares (000)	Shares (000)
Issued	7,872	16,182
Issued in Lieu of Cash Distributions	12,253	22,340
Redeemed	(15,382)	(26,200)
Net Increase (Decrease) in Shares Outstanding	4,743	12,322

H. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, 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 March 31, 2024, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Strategic Equity Fund has renewed the fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Quantitative Equity 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 conducted by the Portfolio Review Department. 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 Quantitative Equity 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 a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

The board concluded that the fund's expense ratio was below the average expense ratio charged by funds in its peer group and that the fund's advisory 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 Horizon Funds approved the appointment of liquidity risk management program administrators responsible for administering Vanguard Strategic Equity 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, 2023, through December 31, 2023 (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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