Vanguard®

# Vanguard Real Estate Index Fund

Real estate stock fund | Investor Shares

## Fund facts

| Total net assets | Expense ratio as of 05/28/26 | Ticker symbol | Turnover rate | Inception date | Fund number |
|---|---|---|---|---|---|
| $63 MM | 0.27% | VGSIX | 6.7% | 05/13/96 | 0123 |

## Investment objective

Vanguard Real Estate Index Fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs and other real estate-related investments.

## Investment strategy

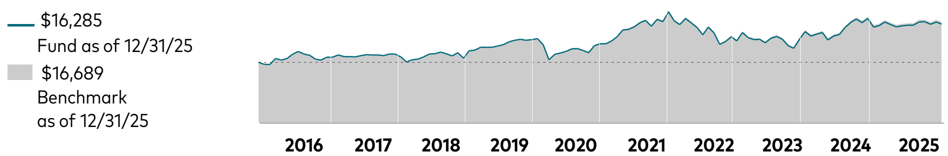
The fund employs an indexing investment approach designed to track the performance of the MSCI US Investable Market Real Estate 25/50 Index. The MSCI US Investable Market Real Estate 25/50 Index is made up of stocks of large, mid-size, and small U.S. companies within the real estate sector, as classified under the Global Industry Classification Standard (GICS). The GICS real estate sector is composed of equity real estate investment trusts (known as REITs), which includes specialized REITs, and real estate management and development companies. The fund attempts to replicate the index by investing all, or substantially all, of its assets—either directly or indirectly through a wholly owned subsidiary (the underlying fund), which is itself a registered investment company—in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fund may invest a portion of its assets in the underlying fund.

INDEXED TO MSCI

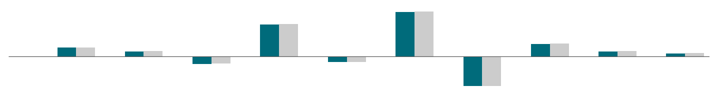
## Benchmark

Real Estate Spliced Index

## Growth of a $10,000 investment : December 31, 2015—December 31, 2025




## Annual returns



| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund | 8.34 | 4.83 | -6.11 | 28.78 | -4.78 | 40.19 | -26.30 | 11.63 | 4.76 | 3.07 |
| Benchmark | 8.60 | 5.07 | -5.88 | 29.03 | -4.55 | 40.56 | -26.12 | 11.96 | 5.05 | 3.31 |

## Total returns

Periods ended June 30, 2026

| | Quarter | Year to date | One year | Three years | Five years | Ten years |
|---|---|---|---|---|---|---|
| **Fund** | 9.64% | 11.04% | 12.32% | 8.99% | 2.66% | 4.77% |
| **Benchmark** | 9.72% | 11.20% | 12.62% | 9.28% | 2.93% | 5.03% |

**The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. 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. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**
Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Real Estate Spliced Index: MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

# Vanguard Real Estate Index Fund

Real estate stock fund| Investor Shares

## Ten largest holdings*

| | | |
|---|---|---|
| 1 | Vanguard Real Estate II Index Fund | |
| 2 | Welltower Inc. | |
| 3 | Prologis Inc. | |
| 4 | Equinix Inc. | |
| 5 | American Tower Corp. | |
| 6 | Simon Property Group Inc. | |
| 7 | Digital Realty Trust Inc. | |
| 8 | Realty Income Corp. | |
| 9 | Public Storage | |
| 10 | Ventas Inc. | |
| Top 10 as % of total net assets | | 54.3% |

* The holdings listed exclude any temporary cash investments and equity index products.

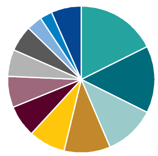
## Portfolio management

**Vanguard Portfolio Management**

**Chris Nieves, CFA**
- Portfolio manager.
- Advised the fund since 2025.
- Worked in investment management since 2013.
- B.A., Cornell University.
- MEng., Cornell University.

**Jena Stenger, CFA**
- Portfolio manager.
- Advised the fund since 2025.
- Worked in investment management since 2013.
- B.S., Villanova University.
- M.B.A., University of Chicago Booth School of Business.

## Sector Diversification



| | |
|---|---|
| Health Care REITs | 17.6% |
| Retail REITs | 14.8 |
| Industrial REITs | 11.2 |
| Data Center REITs | 10.2 |
| Telecom Tower REITs | 8.0 |
| Multi-Family Residential REITs | 7.0 |
| Other Specialized REITs | 6.9 |
| Self-Storage REITs | 5.9 |
| Real Estate Services | 5.7 |
| Single-Family Residential REIT | 3.4 |
| Hotel & Resort REITs | 2.7 |
| Other | 6.6 |

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.

# Vanguard Real Estate Index Fund

Real estate stock fund | Investor Shares

**Connect with Vanguard ® • vanguard.com**

**Plain talk about risk**

As with any investment, an investment in the fund could lose money over any time period. The fund's share price and total return may fluctuate, potentially within a wide range. The principal risks of investing in the fund are summarized below. Each of the following risks could affect the fund's performance:

**Real Estate Sector.** Due to the fund's heavy investment in the real estate sector, its performance will be impacted by the general health of the sector. Companies in the real estate sector can be negatively affected by various factors, including, but not limited to, supply and demand for properties, changes in interest rates, general or local economic conditions, the strength of specific industries that rent properties, and/or regulatory changes. Real estate companies might be heavily focused on one geographic market, which could affect those companies more than companies with greater geographic diversification. Real estate companies may rely on leverage, which, while used to help magnify returns, also has the negative effect of magnifying losses. In addition, the real estate industry historically has been sensitive to economic downturns and other events that limit demand for real estate, which would adversely impact the value of real estate investments.

**Investing in REITs.** In addition to the risks associated with the real estate sector, the fund's investments in equity REITs are subject to certain additional risks. Equity REITs may be affected by changes in the value of the underlying properties they own. An individual REIT's performance depends on the types and locations of the properties it owns and on how well the REIT manages its properties. Interest rate increases can make it more difficult and costly to acquire financing, which could restrict cash flows and negatively affect their operations and values. During periods of rising interest rates, REIT stock prices overall may decline, which could result in a decline in the fund's value. In addition, unlike corporations, REITs do not have to pay income taxes if they meet certain Internal Revenue Code requirements. Loss of IRS status as a qualified REIT would negatively impact the REIT's overall investment returns.

**General Market Risk.** The markets in which the fund invests can be affected by a variety of factors. These factors, which can be real or perceived, may include economic, market, political, and regulatory conditions and developments as well as local, regional, or global events such as wars, military conflicts, natural disasters, and public health issues. In addition, investor sentiment and expectations regarding these factors can also impact the markets. Different parts of the market, including different industries and sectors as well as different types of securities, may react differently to factors that affect the market. These factors can contribute to market uncertainty, market volatility, and fluctuations in the value of the fund's investments, thereby resulting in potential losses to the fund over short or long periods.

**Investing in Equity Markets.** The fund invests in the equity markets. Equity markets have historically been cyclical, having periods of time when stock values rise and fall. Market volatility can lead to significant fluctuations in stock values, resulting in potential losses to the fund.

**Market Capitalization (Market Cap).** Companies are generally classified into three types of market cap depending on their size: small-, mid-, and large-cap. Companies can be further classified into micro- or mega-cap. Different factors can affect each market cap uniquely, and historically small-and mid-cap stocks have typically been more volatile due to the effects of changing economic conditions. Large companies may not reach the same levels of growth or performance as smaller companies, and they may be slower to react to competitive challenges. The performance of funds that invest in a subset of market caps could diverge from the performance of a fund that is focused on a broader representation of the stock market.

**Nondiversified funds.** The fund is considered a nondiversified fund as defined under the Investment Company Act of 1940. Nondiversified funds invest a greater percentage of their assets in a small number of issuers than diversified funds, their performance may be negatively impacted by relatively few securities or even a single security, and their shares may experience significant fluctuations in value.

**Index Investing.** The fund is subject to risks associated with index investing. Because the fund generally seeks to track the performance of the target index regardless of how the target index is performing, the fund's performance may be lower than it would be if it were actively managed. Although the fund seeks to hold substantially all of the securities included in the target index, it may be unable to do so. In addition, the fund could be prevented from holding one or more securities in the same proportion as in the target index. The performance of the fund's investments, in the aggregate, may not match the investment performance of the target index. This risk, known as tracking error risk, may be heightened during times of increased market volatility or under other unusual market conditions. The fund also could be negatively impacted by changes to the target index made by the index provider or by errors made by the index provider. Any gains, losses, or costs associated with or resulting from an error made by the index provider will generally be borne by the fund and, as a result, the fund's shareholders.

**Note on frequent trading restrictions**

Frequent trading policies may apply to those funds offered as investment options within your plan. Please log on to vanguard.com for your employer plans or contact Participant Services at 800-523-1188 for additional information.



**For more information about Vanguard funds or to obtain a prospectus, see below for which situation is right for you**.

If you receive your retirement plan statement from Vanguard or log on to Vanguard's website to view your plan, visit **vanguard.com** or call **800-523-1188**.

If you receive your retirement plan statement from a service provider other than Vanguard or log on to a recordkeeper's website that is not Vanguard to view your plan, please call **855-402-2646**.

**Visit vanguard.com to obtain a prospectus or, if available, a summary prospectus**. **Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing**.

**Financial advisor clients: For more information about Vanguard funds, contact your financial advisor to obtain a prospectus.**

# Vanguard Real Estate Index Fund

Real estate stock fund| Investor Shares