

Annual Report | October 31, 2021

Vanguard Windsor[™] II Fund

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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, 2021, Vanguard Windsor II Fund returned 49.42% for Investor Shares and 49.55% for Admiral Shares, outpacing the 43.76% return of its benchmark, the Russell 1000 Value Index.
- During the period, the global economy continued to recover from the sharp pandemic-induced contraction of spring 2020. Countries that were more successful in containing COVID-19 generally fared better economically. Swift and extensive fiscal and monetary support from policymakers was also key to the rebound. Stock returns for the period were excellent, even amid concerns late in the fiscal year about inflation and the prospect of less accommodative monetary policy.
- The broad U.S. stock market, as measured by the Russell 3000 Index, climbed 43.90%. Value stocks outperformed growth, and mid- and small-capitalization stocks outperformed large-caps.
- Returns were positive in all 11 sectors represented in the portfolio. Strong selection in communication services and an underweight position in utilities contributed most to performance relative to the benchmark. Consumer discretionary and real estate were the only net laggards on a relative basis.
- Over the decade ended October 31, the fund's average annualized return was 14.14% for Investor Shares and 14.23% for Admiral Shares, ahead of the 12.85% return of its benchmark.

Market Barometer

	Average Annual Total Returns Periods Ended October 31, 2021		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	43.51%	22.01%	19.16%
Russell 2000 Index (Small-caps)	50.80	16.47	15.52
Russell 3000 Index (Broad U.S. market)	43.90	21.62	18.91
FTSE All-World ex US Index (International)	30.23	12.42	10.05
Bonds			
Bloomberg U.S. Aggregate Bond Index (Broad taxable market)	-0.48%	5.63%	3.10%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	2.64	5.17	3.41
FTSE Three-Month U.S. Treasury Bill Index	0.05	1.08	1.12
CPI			
Consumer Price Index	6.22%	3.03%	2.73%

Advisors' Report

For the 12 months ended October 31, 2021, Vanguard Windsor II Fund returned 49.42% for Investor Shares and 49.55% for Admiral Shares. It surpassed the 43.76% performance 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, 2021.

Lazard Asset Management LLC Portfolio Managers:

Andrew Lacey, Deputy Chairman

Ronald Temple, Managing Director

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

- **Compounders:** These are companies that 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 these types of ideas.

Over the past year, equity markets have been strong as the economy recovers from the COVID-19 pandemic, and fiscal and monetary stimulus has been supportive. Our strategy over the 12 months outperformed both the broad benchmark (the Standard & Poor's 500 Index) and the value-based benchmark (the Russell 1000 Value Index). Results were largely driven by our portfolio's compounder component, as the highest-quality companies in the market continue to expand their competitive advantages. Our improver allocation, though, also contributed, as we were able to identify companies that managed to increase their financial productivity during this period of uncertainty.

The portfolio's weight in compounders is currently in the middle of our target range of 60% to 80% of the strategy's capital. We believe this remains appropriate given the continued economic uncertainty. Over the past year, we have seen valuations expand further in a small group of

companies with strong growth characteristics. Regardless, we remain disciplined, focusing on the level and trajectory of a company's financial productivity relative to its valuation.

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 42.91% for the 12 months ended October 31, 2021, closing at a record high. The valuation gap that existed between growth and value stocks at the start of the period persists today, meaning that valuation opportunities remain.

When the period began, we identified opportunities in cyclical market segments disproportionately. As the year transpired, this helped the portfolio significantly outperform the benchmark. Positive stock selection drove about two-thirds of the outperformance, with positive sector allocation driving the rest. Positive selection in financials, communication services, and energy was particularly helpful. Overweight positions in energy and financials, the index's top-performing sectors, also helped. Selection in consumer staples was slightly negative, as was an underweighting of real estate.

The performance difference between value and growth has largely moved in

tandem with COVID-19's progression. Value stocks have tended to do better as COVID cases decline. We believe the end of the pandemic could provide a welcome catalyst for a prolonged value rally. Some of the more powerful and long-lasting value rallies have persisted for 7 to 10 years, with value outperforming growth by well over 100 percentage points. The common trait among these most formidable value-led markets is that each came on the heels of a prolonged period of growth outperformance, and each began with wide valuation spreads. Today's environment epitomizes these traits.

Because the portfolio trades at a valuation discount to the index, we believe that a value-led market would be highly conducive to our investment approach, even relative to the value benchmark. We continue to focus on companies that trade at significant discounts to intrinsic value but that also possess quality businesses, strong balance sheets, and good corporate governance.

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 because of either depressed conditions or

credible threats to the sustainability of current earnings and cash flow. Our investments fall primarily in the latter category and are focused in five sectors: information technology (24%), health care (22%), financials (13%), communication services (12%), and consumer discretionary (10%).

The portfolio, as might be gleaned from its composition, has considerable exposure to technological developments in the semiconductor, computing, media, and communications industries. These investments are linked by one overarching theme: enabling the virtualization/digitalization of physical forms of interaction. The above-average expected returns of those stocks that fall into this theme derive from investor anxiety about cyclical and regulatory issues, which we see as manageable.

The statistical character of the portfolio remains within the value domain. It is priced at about a 35% discount to market standards on earnings and cash flow. Relative volatility is estimated to be consistent with the portfolio's targeted range. Portfolio beta is slightly lower than 1.0.

About 22% of the portfolio is invested in companies domiciled outside the U.S. (such as in South Korea, Taiwan, Europe, China, Japan, and Canada). We believe these companies are well-positioned in their industries and, on average, are priced at about a 20% discount to our U.S. holdings. The portfolio is positioned to benefit from a global growth recovery, as about 70% of our holdings are procyclical.

Investment results year to date are close to the fund's benchmark. Results benefited from strong gains in the communications industry, offset by below-market returns in the semiconductor memory industry—a setback that we see as transitory. Longer-term investment returns remain well above the benchmark.

Aristotle Capital Management, LLC
Portfolio Managers:

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

Gregory Padilla, CFA,
Principal, Senior Global Research Analyst

The 12 months ended October 31, 2021, produced unusually strong U.S. equity returns, with major indexes up more than 40%.

Our bottom-up, business-owner approach to constructing portfolios typically results in security selection being the primary driver of relative returns, and this was true for the trailing year. At the company level, the largest detractor was Amgen, while the largest contributor was Capital One Financial.

During the period, we made new investments in five companies and exited our positions in six companies. Although we rarely trim or add to positions, we trimmed PayPal and Danaher for risk-control purposes, as these businesses approached our maximum position size limit of 6%. We also trimmed

two investments in banks on valuation and risk management. Over the past year, we have reduced our exposure to the banking industry, as others seem to be overlooking increasing competitive intensity and assuming that record-low credit costs will remain for the long term.

Although the past year saw several style and factor reversals, our process remained consistent. First and foremost, we continued our research-intensive pursuit of better understanding high-quality companies. These are

businesses that we believe possess sustainable competitive advantages and provide products or services that are typically sold for reasons other than price alone. Within this narrowed universe, we seek to invest in high-quality businesses that are both offered at discounts to our estimates of intrinsic value and have company-specific catalysts that will unlock the discounts we see. Regardless of what the markets may bring, we believe these businesses can provide unique opportunities for the long-term investor.

Vanguard Windsor II Fund Investment Advisors

Investment Advisor	Fund Assets Managed		Investment Strategy
	%	\$ Million	
Lazard Asset Management LLC	37	22,360	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	13,514	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	20	12,153	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	11,867	Employs a fundamental, bottom-up security selection process focused on quality companies with attractive valuations and compelling catalysts.
Cash Investments	1	673	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, 2021

	Beginning Account Value 4/30/2021	Ending Account Value 10/31/2021	Expenses Paid During Period
Based on Actual Fund Return			
Windsor II Fund			
Investor Shares	\$1,000.00	\$1,081.40	\$1.78
Admiral™ Shares	1,000.00	1,081.70	1.36
Based on Hypothetical 5% Yearly Return			
Windsor II Fund			
Investor Shares	\$1,000.00	\$1,023.49	\$1.73
Admiral Shares	1,000.00	1,023.90	1.33

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 0.34% for Investor Shares and 0.26% 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).

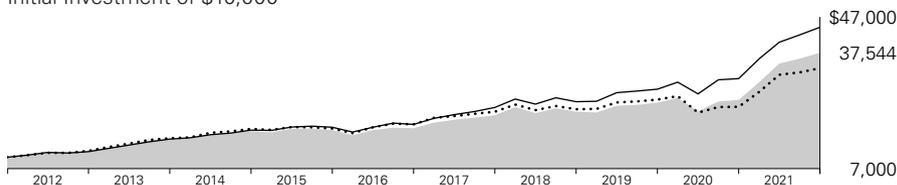
Windsor II Fund

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, 2011, Through October 31, 2021

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended October 31, 2021			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Windsor II Fund Investor Shares	49.42%	16.31%	14.14%	\$ 37,544
Russell 1000 Value Index	43.76	12.39	12.85	33,491
Dow Jones U.S. Total Stock Market Float Adjusted Index	44.07	18.87	16.04	44,284

	One Year	Five Years	Ten Years	Final Value of a \$50,000 Investment
Windsor II Fund Admiral Shares	49.55%	16.40%	14.23%	\$189,206
Russell 1000 Value Index	43.76	12.39	12.85	167,456
Dow Jones U.S. Total Stock Market Float Adjusted Index	44.07	18.87	16.04	221,419

See Financial Highlights for dividend information.

Fund Allocation

As of October 31, 2021

Communication Services	8.0%
Consumer Discretionary	10.6
Consumer Staples	5.5
Energy	5.3
Financials	18.3
Health Care	17.1
Industrials	8.7
Information Technology	20.9
Materials	2.3
Real Estate	1.8
Utilities	0.7
Other	0.8

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, 2021

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

	Shares	Market Value* (\$'000)		Shares	Market Value* (\$'000)
Common Stocks (95.7%)					
Communication Services (7.7%)					
* Alphabet Inc. Class A	663,435	1,964,378	Unilever plc (XLON)	3,390,000	181,507
* Alphabet Inc. Class C	292,365	866,982	Nestle SA (Registered)	1,212,973	160,000
* Meta Platforms Inc. Class A	1,722,738	557,426	Mondelez International Inc. Class A	2,026,888	123,113
* Walt Disney Co.	1,448,581	244,912	Walgreens Boots Alliance Inc.	2,100,000	98,742
* Twitter Inc.	4,540,000	243,072	Constellation Brands Inc. Class A	168,642	36,563
* Discovery Inc. Class C	9,977,848	225,100			3,183,377
* News Corp. Class A	7,309,310	167,383	Energy (5.1%)		
Vodafone Group plc ADR	10,811,932	161,639	ConocoPhillips	7,751,334	577,397
Comcast Corp. Class A	2,884,213	148,335	Marathon Oil Corp.	26,018,487	424,622
Omnicom Group Inc.	913,679	62,203	Halliburton Co.	11,140,235	278,394
		4,641,430	APA Corp.	10,164,477	266,411
Consumer Discretionary (10.1%)					
* Amazon.com Inc.	258,722	872,522	Hess Corp.	2,939,167	242,687
McDonald's Corp.	2,188,469	537,379	Coterra Energy Inc.	10,471,000	223,242
Lennar Corp. Class A	5,274,422	527,073	Royal Dutch Shell plc Class A ADR	4,824,512	221,541
* General Motors Co.	7,490,801	407,724	Suncor Energy Inc.	7,518,132	197,727
Sony Group Corp. ADR	3,375,000	390,791	Phillips 66	1,990,000	148,812
Dollar General Corp.	1,668,001	369,496	* NOV Inc.	10,076,888	141,278
Lowe's Cos. Inc.	1,463,751	342,254	Marathon Petroleum Corp.	1,680,189	110,775
Home Depot Inc.	912,660	339,272	Schlumberger NV	2,915,800	94,064
* Aptiv plc	1,858,543	321,324	Baker Hughes Co. Class A	3,043,100	76,321
Starbucks Corp.	2,824,827	299,629	Murphy Oil Corp.	2,182,252	60,732
Magna International Inc.	3,364,732	273,553			3,064,003
1 Cie Generale des Etablissements Michelin SCA ADR	8,570,000	269,441	Financials (17.5%)		
DR Horton Inc.	2,888,131	257,823	Bank of America Corp.	21,825,307	1,042,813
Daimler AG (Registered)	2,159,229	214,330	Wells Fargo & Co.	19,845,708	1,015,306
* Booking Holdings Inc.	85,400	206,735	Citigroup Inc.	13,406,558	927,198
Bayerische Motoren Werke AG	2,025,426	204,641	Intercontinental Exchange Inc.	6,004,149	831,334
Ross Stores Inc.	1,211,380	137,128	PNC Financial Services Group Inc.	3,659,095	772,179
* Goodyear Tire & Rubber Co.	3,226,296	61,687	American Express Co.	3,553,707	617,563
* Adient plc	1,311,943	54,603	American International Group Inc.	10,323,356	610,007
Harley-Davidson Inc.	1,395,273	50,914	Marsh & McLennan Cos. Inc.	2,343,356	390,872
Lennar Corp. Class B	46,457	3,813	Capital One Financial Corp.	2,453,000	370,477
		6,142,132	JPMorgan Chase & Co.	2,053,101	348,801
Consumer Staples (5.3%)					
Procter & Gamble Co.	5,744,066	821,344	Ameriprise Financial Inc.	1,057,000	319,351
Coca-Cola Co.	11,667,954	657,723	Commerce Bancshares Inc.	4,348,061	306,582
PepsiCo Inc.	2,658,773	429,658	Cincinnati Financial Corp.	2,192,000	266,197
Sysco Corp.	3,576,650	275,044			
Unilever plc ADR	3,871,398	207,430			
Tyson Foods Inc. Class A	2,404,064	192,253			

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Bank of New York Mellon Corp.	4,029,434	238,543	Industrials (8.4%)		
Goldman Sachs Group Inc.	543,949	224,841	Honeywell International Inc.	4,182,748	914,432
Cullen/Frost Bankers Inc.	1,702,000	220,409	General Electric Co.	5,607,985	588,109
Chubb Ltd.	1,121,000	219,021	FedEx Corp.	1,859,877	438,057
* Berkshire Hathaway Inc. Class B	728,900	209,202	Norfolk Southern Corp.	1,458,003	427,268
Travelers Cos. Inc.	1,204,992	193,859	Waste Management Inc.	2,135,940	342,242
BNP Paribas SA	2,782,700	186,266	Johnson Controls International plc	4,410,000	323,562
Truist Financial Corp.	2,831,319	179,704	Xylem Inc.	2,400,000	313,416
Hartford Financial Services Group Inc.	2,324,200	169,504	Parker-Hannifin Corp.	979,000	290,362
Citizens Financial Group Inc.	3,383,851	160,327	CNH Industrial NV	13,389,999	229,103
Credit Suisse Group AG ADR	12,213,200	125,918	Northrop Grumman Corp.	620,719	221,733
East West Bancorp Inc.	1,404,561	111,635	General Dynamics Corp.	1,018,000	206,399
1 Mitsubishi UFJ Financial Group Inc. ADR	19,937,000	109,853	Cummins Inc.	714,472	171,359
CIT Group Inc.	1,947,710	96,470	Caterpillar Inc.	738,613	150,684
Synchrony Financial	1,589,451	73,830	Raytheon Technologies Corp.	1,531,400	136,080
State Street Corp.	665,188	65,554	* PACCAR Inc.	1,427,720	127,952
Natwest Group plc	20,774,647	62,639	* Southwest Airlines Co.	1,780,864	84,199
Equitable Holdings Inc.	1,842,040	61,708	Stanley Black & Decker Inc.	334,890	60,190
China Construction Bank Corp. Class H	51,864,000	35,298	* Fluor Corp.	1,993,085	38,746
Sumitomo Mitsui Financial Group Inc.	963,900	31,278	Oshkosh Corp.	48,252	5,163
* Banco de Sabadell SA	36,345,074	29,250			5,069,056
		10,623,789	Information Technology (20.0%)		
Health Care (16.3%)			Microsoft Corp.	9,893,113	3,280,754
Medtronic plc	11,408,805	1,367,459	* Adobe Inc.	1,118,707	727,562
Danaher Corp.	3,128,904	975,498	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	6,298,485	716,138
Johnson & Johnson	5,723,877	932,305	Visa Inc. Class A	2,773,770	587,401
UnitedHealth Group Inc.	1,883,543	867,315	Apple Inc.	3,764,348	563,899
Anthem Inc.	1,955,738	851,000	Cisco Systems Inc.	9,969,485	557,992
HCA Healthcare Inc.	2,229,500	558,401	Samsung Electronics Co. Ltd.	8,514,100	509,766
Thermo Fisher Scientific Inc.	786,468	497,889	Micron Technology Inc.	6,402,023	442,380
Humana Inc.	862,514	399,482	Analog Devices Inc.	2,309,512	400,677
Cigna Corp.	1,502,773	321,007	* salesforce.com Inc.	1,321,256	395,967
Roche Holding AG	776,049	300,637	* ANSYS Inc.	1,042,000	395,522
Zoetis Inc.	1,346,898	291,199	Texas Instruments Inc.	1,999,851	374,932
* Boston Scientific Corp.	6,679,168	288,073	Microchip Technology Inc.	4,184,000	309,993
Alcon Inc.	3,105,000	258,833	QUALCOMM Inc.	2,191,000	291,491
* IQVIA Holdings Inc.	957,951	250,428	Accenture plc Class A	769,234	275,994
Amgen Inc.	1,116,000	230,979	* F5 Networks Inc.	1,291,900	272,785
* Elanco Animal Health Inc. (XNYS)	6,499,000	213,687	Amphenol Corp. Class A	3,350,112	257,188
Pfizer Inc.	4,650,531	203,414	* PayPal Holdings Inc.	1,068,000	248,406
GlaxoSmithKline plc ADR	4,176,194	176,778	Oracle Corp.	2,453,125	235,353
CVS Health Corp.	1,853,800	165,507	Corning Inc.	4,483,651	159,484
* Centene Corp.	2,232,688	159,057	TE Connectivity Ltd.	1,070,466	156,288
* Laboratory Corp. of America Holdings	502,377	144,192	Fidelity National Information Services Inc.	1,391,422	154,086
Novartis AG ADR	1,570,316	129,959	Hewlett Packard Enterprise Co.	9,685,341	141,890
Sanofi ADR	2,209,191	111,410	* Palo Alto Networks Inc.	276,009	140,513
Bristol-Myers Squibb Co.	1,123,900	65,636	Telefonaktiebolaget LM Ericsson ADR	11,420,180	124,137
Zimmer Biomet Holdings Inc.	440,508	63,046	CDW Corp.	631,698	117,907
AbbVie Inc.	544,967	62,491	Applied Materials Inc.	780,230	106,618
		9,885,682	Cognizant Technology Solutions Corp. Class A	937,900	73,241
			* Western Digital Corp.	871,600	45,576

Windsor II Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Seagate Technology Holdings plc	233,447	20,793	Temporary Cash Investments (4.3%)		
		12,084,733	Money Market Fund (4.3%)		
Materials (2.2%)			2,3 Vanguard Market Liquidity Fund, 0.070% (Cost \$2,628,685)		
Martin Marietta Materials Inc.	807,000	317,022	26,288,381	2,628,838	
Corteva Inc.	6,961,000	300,367	Total Investments (100.0%)		
Ecolab Inc.	1,293,000	287,331	(Cost \$37,377,750)		
RPM International Inc.	2,570,000	224,104	60,560,618		
Avery Dennison Corp.	700,226	152,453	Other Assets and Liabilities—Net (0.0%)		
International Paper Co.	1,051,929	52,249	6,139		
		1,333,526	Net Assets (100%)		
Other (0.8%)			60,566,757		
SPDR S&P 500 ETF Trust	1,073,673	493,084	Cost is in \$000.		
Real Estate (1.7%)			• See Note A in Notes to Financial Statements.		
Prologis Inc.	3,145,211	455,930	* Non-income-producing security.		
Crown Castle International Corp.	1,627,000	293,348	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$8,433,000.		
Sun Communities Inc.	720,000	141,106	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.		
Equity LifeStyle Properties Inc.	1,600,000	135,216	3 Collateral of \$9,170,000 was received for securities on loan. ADR—American Depository Receipt.		
		1,025,600			
Utilities (0.6%)					
PPL Corp.	11,229,703	323,415			
Southern Co.	994,110	61,953			
		385,368			
Total Common Stocks (Cost \$34,749,065)		57,931,780			

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 2021	2,944	676,678	21,407

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

Statement of Assets and Liabilities

As of October 31, 2021

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$34,749,065)	57,931,780
Affiliated Issuers (Cost \$2,628,685)	2,628,838
Total Investments in Securities	60,560,618
Investment in Vanguard	1,946
Cash Collateral Pledged—Futures Contracts	33,863
Receivables for Investment Securities Sold	85,423
Receivables for Accrued Income	52,233
Receivables for Capital Shares Issued	16,323
Variation Margin Receivable—Futures Contracts	1,398
Total Assets	60,751,804
Liabilities	
Due to Custodian	1,236
Payables for Investment Securities Purchased	136,377
Collateral for Securities on Loan	9,170
Payables to Investment Advisor	17,405
Payables for Capital Shares Redeemed	16,679
Payables to Vanguard	4,180
Total Liabilities	185,047
Net Assets	60,566,757

At October 31, 2021, net assets consisted of:

Paid-in Capital	33,351,990
Total Distributable Earnings (Loss)	27,214,767
Net Assets	60,566,757

Investor Shares—Net Assets

Applicable to 283,284,433 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	13,733,720
Net Asset Value Per Share—Investor Shares	\$48.48

Admiral Shares—Net Assets

Applicable to 544,377,040 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	46,833,037
Net Asset Value Per Share—Admiral Shares	\$86.03

Statement of Operations

Year Ended
October 31, 2021

	(\$000)
Investment Income	
Income	
Dividends ¹	809,389
Interest ²	1,541
Securities Lending—Net	783
Total Income	811,713
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	67,724
Performance Adjustment	(1,302)
The Vanguard Group—Note C	
Management and Administrative—Investor Shares	28,902
Management and Administrative—Admiral Shares	55,621
Marketing and Distribution—Investor Shares	600
Marketing and Distribution—Admiral Shares	858
Custodian Fees	578
Auditing Fees	47
Shareholders' Reports—Investor Shares	440
Shareholders' Reports—Admiral Shares	255
Trustees' Fees and Expenses	37
Total Expenses	153,760
Net Investment Income	657,953
Realized Net Gain (Loss)	
Investment Securities Sold ²	3,792,940
Futures Contracts	215,903
Foreign Currencies	(849)
Realized Net Gain (Loss)	4,007,994
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers ²	15,707,807
Futures Contracts	44,103
Foreign Currencies	(131)
Change in Unrealized Appreciation (Depreciation)	15,751,779
Net Increase (Decrease) in Net Assets Resulting from Operations	20,417,726

¹ Dividends are net of foreign withholding taxes of \$15,972,000.

² Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$1,541,000, \$137,000, and (\$136,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended October 31,	
	2021 (\$000)	2020 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	657,953	722,332
Realized Net Gain (Loss)	4,007,994	3,203,815
Change in Unrealized Appreciation (Depreciation)	15,751,779	(2,732,840)
Net Increase (Decrease) in Net Assets Resulting from Operations	20,417,726	1,193,307
Distributions		
Investor Shares	(877,466)	(1,132,159)
Admiral Shares	(2,558,212)	(3,219,357)
Total Distributions	(3,435,678)	(4,351,516)
Capital Share Transactions		
Investor Shares	(1,563,435)	(360,690)
Admiral Shares	3,159,805	(633,591)
Net Increase (Decrease) from Capital Share Transactions	1,596,370	(994,281)
Total Increase (Decrease)	18,578,418	(4,152,490)
Net Assets		
Beginning of Period	41,988,339	46,140,829
End of Period	60,566,757	41,988,339

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,				
	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$34.85	\$37.22	\$37.39	\$38.81	\$35.03
Investment Operations					
Net Investment Income ¹	.502	.551	.775	.783	.750
Net Realized and Unrealized Gain (Loss) on Investments	15.971	.607	2.628	.950	5.847
Total from Investment Operations	16.473	1.158	3.403	1.733	6.597
Distributions					
Dividends from Net Investment Income	(.516)	(.635)	(.844)	(.740)	(.851)
Distributions from Realized Capital Gains	(2.327)	(2.893)	(2.729)	(2.413)	(1.966)
Total Distributions	(2.843)	(3.528)	(3.573)	(3.153)	(2.817)
Net Asset Value, End of Period	\$48.48	\$34.85	\$37.22	\$37.39	\$38.81
Total Return²	49.42%	2.93%	10.82%	4.44%	19.60%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$13,734	\$10,997	\$12,119	\$12,061	\$13,638
Ratio of Total Expenses to Average Net Assets ³	0.34%	0.34%	0.33%	0.33%	0.34%
Ratio of Net Investment Income to Average Net Assets	1.15%	1.61%	2.20%	2.04%	2.01%
Portfolio Turnover Rate	20%	61%	32%	29%	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 (0.00%), (0.01%), (0.03%), (0.03%), and (0.02%).

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$61.84	\$66.06	\$66.35	\$68.88	\$62.18
Investment Operations					
Net Investment Income ¹	.950	1.027	1.426	1.443	1.377
Net Realized and Unrealized Gain (Loss) on Investments	28.341	1.065	4.675	1.682	10.376
Total from Investment Operations	29.291	2.092	6.101	3.125	11.753
Distributions					
Dividends from Net Investment Income	(.972)	(1.178)	(1.547)	(1.371)	(1.565)
Distributions from Realized Capital Gains	(4.129)	(5.134)	(4.844)	(4.284)	(3.488)
Total Distributions	(5.101)	(6.312)	(6.391)	(5.655)	(5.053)
Net Asset Value, End of Period	\$86.03	\$61.84	\$66.06	\$66.35	\$68.88
Total Return²	49.55%	3.00%	10.93%	4.52%	19.68%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$46,833	\$30,992	\$34,022	\$34,126	\$35,514
Ratio of Total Expenses to Average Net Assets ³	0.26%	0.26%	0.25%	0.25%	0.26%
Ratio of Net Investment Income to Average Net Assets	1.22%	1.69%	2.28%	2.12%	2.09%
Portfolio Turnover Rate	20%	61%	32%	29%	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 (0.00%), (0.01%), (0.03%), (0.03%), and (0.02%).

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.

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

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted 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. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **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, 2021, 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 all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

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

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

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by

Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an 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, 2021, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

Taxes on foreign dividends and capital gains have been provided for in accordance with the fund's understanding of 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. Such tax reclaims received during the year, if any, are included in dividend income. No other amounts for additional tax reclaims are reflected in the financial statements due to the uncertainty as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment.

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, 2021, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.12% of the fund's average net assets, before a net decrease of \$1,302,000 (less than 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, 2021, the fund had contributed to Vanguard capital in the amount of \$1,946,000, representing less than 0.01% of the fund's net assets and 0.78% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

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.

The following table summarizes the market value of the fund's investments and derivatives as of October 31, 2021, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	56,016,168	1,915,612	—	57,931,780
Temporary Cash Investments	2,628,838	—	—	2,628,838
Total	58,645,006	1,915,612	—	60,560,618

Derivative Financial Instruments

Assets				
Futures Contracts ¹	21,407	—	—	21,407

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.

E. 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 foreign currency transactions and distributions in connection with fund share redemptions were reclassified between the following accounts:

	Amount (\$000)
Paid-in Capital	140,082
Total Distributable Earnings (Loss)	(140,082)

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 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	883,718
Undistributed Long-Term Gains	3,165,696
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	23,165,353

The tax character of distributions paid was as follows:

	Year Ended October 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	781,945	810,275
Long-Term Capital Gains	2,653,733	3,541,241
Total	3,435,678	4,351,516

* Includes short-term capital gains, if any.

As of October 31, 2021, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	37,395,515
Gross Unrealized Appreciation	24,077,404
Gross Unrealized Depreciation	(912,300)
Net Unrealized Appreciation (Depreciation)	23,165,104

F. During the year ended October 31, 2021, the fund purchased \$10,197,547,000 of investment securities and sold \$12,556,602,000 of investment securities, other than temporary cash investments.

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

	Year Ended October 31,			
	2021		2020	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	823,222	18,805	1,105,745	35,975
Issued in Lieu of Cash Distributions	856,941	22,227	1,106,299	30,946
Redeemed	(3,243,598)	(73,302)	(2,572,734)	(76,946)
Net Increase (Decrease)—Investor Shares	(1,563,435)	(32,270)	(360,690)	(10,025)
Admiral Shares				
Issued	4,997,051	63,663	2,289,454	38,346
Issued in Lieu of Cash Distributions	2,400,086	35,053	3,023,063	47,668
Redeemed	(4,237,332)	(55,504)	(5,946,108)	(99,892)
Net Increase (Decrease)—Admiral Shares	3,159,805	43,212	(633,591)	(13,878)

H. Management has determined that no events or transactions occurred subsequent to October 31, 2021, 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, 2021, the related statement of operations for the year ended October 31, 2021, the statement of changes in net assets for each of the two years in the period ended October 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2021 (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, 2021, 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, 2021 and the financial highlights for each of the five years in the period ended October 31, 2021 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, 2021 by correspondence with the custodian, transfer agent and brokers; when replies were not received from the transfer agent or brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
December 17, 2021

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

Special 2021 tax information (unaudited) for Vanguard Windsor™ II Fund

This information for the fiscal year ended October 31, 2021, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$2,787,889,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

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

The fund distributed \$778,451,000 of qualified dividend income to shareholders during the fiscal year.

For corporate shareholders, 46.7% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

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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 214 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. Chairman of the board (2011–2017) and trustee (2009–2017) of the Children's Hospital of Philadelphia; and trustee (2018–present) and vice chair (2019–present) of The Shipley School.

Independent Trustees

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. Director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

Amy Gutmann

Born in 1949. Trustee since June 2006. Principal occupation(s) during the past five years and other experience: president (2004–present) of the University of Pennsylvania. Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and professor of communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania.

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). Chairman of the board of Hillenbrand, Inc. (specialized consumer services). Director of the V Foundation.

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.

Member of the advisory council for the College of Arts and Letters and chair of the advisory board to the Kellogg Institute for International Studies, both 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 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 June 2020) and vice president (retired June 2020) of the University of Notre Dame. Assistant professor (retired June 2020) of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Member of the board of Catholic Investment Services, Inc. (investment advisors) and the board of superintendence of the Institute for the Works of Religion.

Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: 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. 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, NewYork-Presbyterian Hospital, and the Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

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 co-managing partner of HighVista Strategies (private investment firm). Member of the board

(2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

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. Professor (2020–present), Distinguished Fellow of the Global Financial Markets Center (2020–present), and Rubenstein Fellow (2017–2020) at Duke University. Trustee (2017–present) of Amherst College and member of Amherst College Investment Committee (2019–present). Member of the Regenerative Crisis Response Committee (2020–present).

David A. 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 (2013–present). Trustee of Common Fund (2019–present).

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). Chairman of the board of trustees of Colby-Sawyer College. Member of the BMW Group Mobility Council.

Executive Officers

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–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

David Cermak

Born in 1960. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present) of each of the investment companies served by Vanguard. Managing director and head (2017–present) of Vanguard Investments Singapore. Managing director and head (2017–2019) of Vanguard Investments Hong Kong. Representative director and head (2014–2017) of Vanguard Investments Japan.

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. Deputy assistant to the President of the United States (2015).

Peter Mahoney

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Controller (2015–present) of each of the investment companies served by Vanguard. Head of International Fund Services (2008–2014) 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.

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.

John E. Schadl

Born in 1972. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2019–present) of Vanguard and of each of the investment companies served by Vanguard. Assistant vice president (2019–present) of Vanguard Marketing Corporation.

Vanguard Senior Management Team

Matthew Benchener	Thomas M. Rampulla
Joseph Brennan	Karin A. Risi
Mortimer J. Buckley	Anne E. Robinson
Gregory Davis	Michael Rollings
John James	Nitin Tandon
John T. Marcante	Lauren Valente
Chris D. McIsaac	



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