Vanguard Developed Markets Index Fund

International stock fund | Institutional Plus Shares

**Fund facts**

<table>
<thead>
<tr>
<th>Risk level</th>
<th>Total net assets</th>
<th>Expense ratio as of 04/26/19</th>
<th>Ticker symbol</th>
<th>Turnover rate as of 12/31/19</th>
<th>Inception date</th>
<th>Fund number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>$13,790 MM</td>
<td>0.04%</td>
<td>VDIPX</td>
<td>2.1%</td>
<td>04/01/14</td>
<td>1457</td>
</tr>
</tbody>
</table>

**Investment objective**

Vanguard Developed Markets Index Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Canada and the major markets of Europe and the Pacific region.

**Investment strategy**

The fund employs an indexing investment approach designed to track the performance of the FTSE Developed All Cap ex US Index, a market-capitalization-weighted index that is made up of approximately 3,700 common stocks of large-, mid-, and small-cap companies located in Canada and the major markets of Europe and the Pacific region. The fund attempts to replicate the target index by investing in, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

**Benchmark**

Spliced Developed ex US Index

**Growth of a $10,000 investment: April 30, 2014—December 31, 2019**

- $12,502
  - Fund as of 12/31/19
- $12,540
  - Benchmark as of 12/31/19

**Annual returns**

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</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-6.67</td>
<td>-0.21</td>
<td>2.50</td>
<td>26.49</td>
<td>-14.45</td>
<td>22.07</td>
</tr>
<tr>
<td>Benchmark</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>-5.77</td>
<td>-0.28</td>
<td>2.29</td>
<td>26.31</td>
<td>-14.79</td>
<td>22.34</td>
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</tbody>
</table>

**Total returns**

<table>
<thead>
<tr>
<th>Periods ended December 31, 2019</th>
<th>Quarter</th>
<th>Year to date</th>
<th>One year</th>
<th>Three years</th>
<th>Five years</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>8.35%</td>
<td>22.07%</td>
<td>22.07%</td>
<td>9.72%</td>
<td>6.20%</td>
<td>4.11%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>8.62%</td>
<td>22.34%</td>
<td>22.34%</td>
<td>9.60%</td>
<td>6.08%</td>
<td>—</td>
</tr>
</tbody>
</table>

**Market allocation—stocks**

- Japan 21.8%
- United Kingdom 14.7%
- Canada 8.7%
- France 8.6%
- Switzerland 7.5%
- Germany 7.3%
- Australia 6.2%
- Korea 4.2%
- Netherlands 3.2%
- Hong Kong 3.1%

* Partial return since fund started, April 1, 2014.

Spliced Developed ex US Index: MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.

Effective April 4, 2014, Vanguard Developed Markets Index Fund merged into Vanguard Tax-Managed International Fund. Performance figures prior to April 4, 2014, is that of the former Vanguard Tax-Managed International Fund. The fund retains the same historical performance, portfolio manager, and risks as it did prior to its reorganization.
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Ten largest holdings*

1. Nestle SA
2. Samsung Electronics Co. Ltd.
3. Royal Dutch Shell plc
4. Roche Holding AG
5. Novartis AG
6. Toyota Motor Corp.
7. HSBC Holdings plc
8. Unilever
9. TOTAL SA
10. AstraZeneca plc

Top sector holdings–stocks

- Financials: 23.0%
- Industrials: 16.5%
- Consumer Goods: 15.8%
- Health Care: 10.5%
- Consumer Services: 8.2%
- Technology: 6.9%
- Basic Materials: 6.8%
- Oil & Gas: 5.8%
- Utilities: 3.4%
- Telecommunications: 3.1%

Sector categories are based on the Industry Classification Benchmark ("ICB"), except for the "Other" category (if applicable), which includes securities that have not been provided an ICB classification as of the effective reporting period.

Plain talk about risk

An investment in the fund could lose money over short or even long periods. You should expect the fund’s share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The fund’s performance could be hurt by:

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. The fund’s investments in foreign stocks can be riskier than U.S. stock investments. Foreign stocks tend to be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. In addition, the fund’s target index may, at times, become focused in stocks of a particular market sector, which would subject the fund to disproportionately higher exposure to the risks of that sector.

Country/regional risk: The chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because the fund may invest a large portion of its assets in securities of companies located in any one country or region, its performance may be hurt disproportionately by the poor performance of its investments in that area. Country/regional risk is especially high in emerging markets.

Currency risk: The chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

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.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value