



**Vanguard**<sup>®</sup>

**Annual Report** | October 31, 2018

# Vanguard Emerging Markets Select Stock Fund

# Vanguard's Principles for Investing Success

We want to give you the best chance of investment success. These principles, grounded in Vanguard's research and experience, can put you on the right path.

**Goals.** Create clear, appropriate investment goals.

**Balance.** Develop a suitable asset allocation using broadly diversified funds.

**Cost.** Minimize cost.

**Discipline.** Maintain perspective and long-term discipline.

A single theme unites these principles: Focus on the things you can control. We believe there is no wiser course for any investor.

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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.

See the Glossary for definitions of investment terms used in this report.

# Your Fund's Performance at a Glance

- For the 12 months ended October 31, 2018, Vanguard Emerging Markets Select Stock Fund returned -11.39%. That performance trailed the -10.88% return of the benchmark, the FTSE Emerging Index, but exceeded the average return of peer funds.
- Among markets represented in the fund, China, South Africa, and Russia produced some of the strongest returns on a relative basis, while Taiwan, Qatar, and South Korea detracted most from performance.
- Stock selection was positive in six of the fund's 11 industry sectors. Energy, communication services, and consumer discretionary stocks drove relative performance; financials, information technology, consumer staples, and materials detracted.
- From its inception on June 27, 2011, through October 31, 2018, the fund had an average annual return of 1%, outperforming both its benchmark and the average performance of its industry peers.

## Total Returns: Fiscal Year Ended October 31, 2018

	Total Returns
Vanguard Emerging Markets Select Stock Fund	-11.39%
FTSE Emerging Index	-10.88
Emerging Markets Funds Average	-13.63

Emerging Markets Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

## Total Returns: Inception Through October 31, 2018

	Average Annual Return
Emerging Markets Select Stock Fund (Returns since inception: 6/27/2011)	1.00%
FTSE Emerging Index	0.50
Emerging Markets Funds Average	-0.33

Emerging Markets Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

The figures shown represent past performance, which is not a guarantee of future results. (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](http://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.

## Expense Ratios

Your Fund Compared With Its Peer Group

	Fund	Peer Group Average
Emerging Markets Select Stock Fund	0.92%	1.44%

The fund expense ratio shown is from the prospectus dated February 22, 2018, and represents estimated costs for the current fiscal year. For the fiscal year ended October 31, 2018, the fund's expense ratio was 0.94%. The peer-group expense ratio is derived from data provided by Lipper, a Thomson Reuters Company, and captures information through year-end 2017.

Peer group: Emerging Markets Funds.

# CEO's Perspective



**Tim Buckley**  
President and Chief Executive Officer

Dear Shareholder,

Over the years, I've found that prudent investors exhibit a common trait: discipline. No matter how the markets move or what new investing fad hits the headlines, those who stay focused on their goals and tune out the noise are set up for long-term success.

The prime gateway to investing is saving, and you don't usually become a saver without a healthy dose of discipline. Savers make the decision to sock away part of their income, which means spending less and delaying gratification, no matter how difficult that may be.

Of course, disciplined investing extends beyond diligent saving. The financial markets, in the short term especially, are unpredictable; I have yet to meet the investor who can time them perfectly. It takes discipline to resist the urge to go all-in when markets are frothy or to retreat when things look bleak.

Staying put with your investments is one strategy for handling volatility. Another, rebalancing, requires even more discipline because it means steering your money away from strong performers and toward poorer performers.

Patience—a form of discipline—is also the friend of long-term investors. Higher returns are the potential reward for weathering the market's turbulence and uncertainty.

We have been enjoying one of the longest bull markets in history, but it won't continue forever. Prepare yourself now for how you will react when volatility comes back. Don't panic. Don't chase returns or look for answers outside the asset classes you trust. And be sure to rebalance periodically, even when there's turmoil.

Whether you're a master of self-control, get a boost from technology, or work with a professional advisor, know that discipline

is necessary to get the most out of your investment portfolio. And know that Vanguard is with you for the entire ride.

Thank you for your continued loyalty.

Sincerely,



Mortimer J. Buckley  
President and Chief Executive Officer  
November 16, 2018

## Market Barometer

	Average Annual Total Returns Periods Ended October 31, 2018		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	6.98%	11.31%	11.05%
Russell 2000 Index (Small-caps)	1.85	10.68	8.01
Russell 3000 Index (Broad U.S. market)	6.60	11.27	10.81
FTSE All-World ex US Index (International)	-7.99	4.57	2.01
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	-2.05%	1.04%	1.83%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	-0.51	1.90	3.25
FTSE Three-Month U.S. Treasury Bill Index	1.67	0.86	0.52
<b>CPI</b>			
Consumer Price Index	2.52%	2.07%	1.60%

## Advisors' Report

For the 12 months ended October 31, 2018, Vanguard Emerging Markets Select Stock Fund returned -11.39%. Your fund is managed by four independent advisors, a strategy that enhances the fund's 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 advisors, the percentage of fund assets each manages, and brief descriptions of their investment strategies are presented in the accompanying table. The advisors have also prepared a discussion of the investment environment that existed during the fiscal year and of how portfolio positioning reflects this assessment.

Please note that M&G Investment Management Limited is no longer managing a portion of your fund. The assets managed by the firm have been allocated to Baillie Gifford Overseas Ltd.

These comments were prepared on November 17, 2018.

### **Oaktree Capital Management, L.P.**

#### Portfolio Managers:

Frank J. Carroll III,  
Managing Director and Co-Head of  
Emerging Markets Equities

Timothy D. Jensen,  
Managing Director and Co-Head of  
Emerging Markets Equities

Volatility marked the performance of emerging markets equities during the 12 months. Growth stocks outperformed value stocks through the end of 2017; the information technology sector led the index. A rotation out of growth and into value began in January and strengthened later in the fiscal year. The volatility spiked in February, and equity markets became increasingly macro-driven. Russia performed well and received significant positive earnings revisions during the period, despite noise about U.S. sanctions. China posted solid performance until trade tensions hit the equity and currency markets after the U.S. implemented tariffs in June. Brazil's returns were strong through the first half of the fiscal year but slipped amid a truckers' strike and heightened political uncertainty. A rebound occurred in October when the market-friendly presidential candidate was

elected. Turkey was the worst-performing country because of its large current account deficit and a depreciating lira.

Stock selection in India, Brazil, and China helped performance, as did our overweight allocations to Brazil and Russia. Compared with the index, our exposure to South Korea and stock selection in Taiwan detracted. By sector, selection among information technology, energy, consumer discretionary, and industrial stocks had a positive effect, while selection among consumer staples, financials, and communication services detracted. Our overweight allocation to energy helped drive relative performance, along with underweight exposures to communication services and Chinese internet names.

We acknowledge that there is significant macroeconomic uncertainty because of protectionism and tighter monetary policy, but we believe emerging markets have already absorbed extensive selling. Taking a longer-term view, corporate governance trends have been positive in most markets, and capital returns to investors have increased. We remain constructive and continue to conduct vigorous bottom-up research in order to construct a portfolio of good companies with solid management and strong balance sheets at attractive valuations.

## **Pzena Investment Management, LLC**

Portfolio Managers:

Caroline Cai, CFA, Principal

Allison Fisch, Principal

John P. Goetz, Managing Principal and Co-Chief Investment Officer

Emerging-market equities were volatile over the last year and continue to face challenges in a rising U.S. dollar and rate environment.

Hon Hai Precision Industry, our portfolio's largest detractor, traded down with the information technology sector. But the company also reported lower-than-expected margins, likely attributable to higher expenses related to iPhone production and a more muted iPhone unit growth outlook. We continue to hold this position.

Akbank, a leading Turkish bank, detracted as deteriorating macroeconomic conditions in the country led to a decline in the lira and investors assessed the potential increase in bank funding costs. Although Akbank is highly sensitive to the Turkish macroeconomy, we believe it is a great operator with a solid earnings history and the strongest balance sheet among its peers; we added to this position.



Russian energy positions Lukoil and Rosneft performed strongly, benefiting from rising crude oil prices. Investors also were encouraged by their improving capital return policy to shareholders, including share buybacks. Pharmaceutical manufacturer China Shineway also contributed, helped by stronger sales volume and profit improvement through several self-help initiatives. We sold this position as it reached fair value.

Our largest sector exposures are in financials and information technology; on a regional basis, we are most exposed to North Asia. In financials, we exited positions in Alpha Bank (Greece) and Bank of Baroda (India) on strength and reallocated to more attractively valued Indian banks Punjab National Bank and ICICI Bank, and Siam Commercial Bank in Thailand. We increased our exposure to information technology by adding Realtek Semiconductor, a Taiwan-based “fabless” semiconductor company. (Fabless manufacturers design and sell semiconductor chips but outsource their fabrication.)

One of the biggest additions to the portfolio was Huadian Power International, a large Chinese coal utility. Finally, we exited Gazprom, a major Russian energy company, because of its questionable capital discipline.

## Wellington Management Company LLP

Portfolio Managers:

Mary Pryshlak, CFA,  
Senior Managing Director and  
Director, Global Industry Research

Mark Mandel, CFA,  
Senior Managing Director and  
Director, Global Industry Research

Emerging-market equities declined in U.S. dollar terms, as measured by the FTSE Emerging Index, during the 12 months. Ten of the index’s 11 sectors posted negative returns, led by consumer discretionary, communication services, and real estate. Energy was the lone positive sector.

Negative security selection in materials, information technology, and industrials hurt results. Bharti Infratel, an Indian telecom tower infrastructure services provider; Bank of Baroda, a state-owned Indian international banking and financial services company; and Cemex LatAm, a Columbian cement producer, weighed most prominently on returns.

Bharti Infratel detracted most, declining 44%. The company reported a drop in net profit in the fiscal first quarter, caused mainly by ongoing consolidation of networks and spectrum among carriers.

Bank of Baroda's stock price dropped over 42% during the 12 months. The Indian government announced that the bank would merge with two other state-owned banks, Vijaya Bank and Dena Bank, to create India's third-largest lender as part of an effort to revive credit and economic growth. However, we view the merger unfavorably, as Dena Bank has a large book of nonperforming loans and has recently seen losses double. We eliminated our position.

Cemex LatAm performed poorly after posting a series of weak results. Political uncertainty over presidential elections, declining cement shipments in Colombia, and continued efforts to increase prices, which likely led to market-share loss, hurt the company. Looking ahead, we believe the residential sector will stabilize later this year, and we expect infrastructure volumes to recover thanks to two major projects in Bogotá.

Positive stock selection in utilities and health care partially offset those negative results. Lukoil, a leading multinational oil producer and distributor based in Russia, was among the top contributors. Lukoil shares were aided by the company's pledge to return 50% of all free cash flow generated, in the form of buybacks, as long as the price of oil exceeded \$50 a barrel.

Despite tougher macroeconomic and regulatory changes in China, Ping An Insurance produced very strong results. The company has shown solid progress in reducing bad debt and off-balance-sheet assets, continuing to cross-sell effectively, and growing its client base through enhanced technology usage.

Our decision not to own electronics manufacturing services provider Hon Hai Precision Industry (also known as Foxconn Technology Group) also contributed to relative results, as the company's stock price declined. The company is a key supplier and assembler for Apple, and the stock has suffered because of weaker-than-expected new iPhone sales.

## **Baillie Gifford Overseas Ltd.**

Portfolio Managers:

Richard Sneller,  
Head of Emerging Markets Equities

Andrew Stobart

Mike Gush

We were delighted to be appointed to manage a portfolio of the Emerging Markets Select Stock Fund during the year. We have been managing active growth portfolios in emerging markets since 1994 and have found the most

persistent source of alpha to be those companies that can grow their profits faster than the market, in hard currency terms, over the long term. Our approach is focused on finding these companies.

Our view on the emerging markets asset class is positive, and this is reflected in relatively broad portfolio positioning. We believe the opportunity set for active investors in emerging markets has broadened over the last two years, as global growth has improved (with many emerging markets accelerating) and commodity-dependent economies showing signs of recovery.

Most important, we see several examples of strong operational performance at companies across a range of industries. Our enthusiasm spans several areas, including energy, where we have large positions in companies such as CNOOC (China) and Reliance Industries (India); financials, with large positions in Sberbank (Russia) and HDFC Bank (India); and information technology, where we remain optimistic about the prospects for TSMC (Taiwan) and Samsung (South Korea).

Against this backdrop, sentiment toward emerging markets has clearly deteriorated for much of 2018, as worries about the impact of a strong U.S. dollar intensify and the China/U.S. trade wars cause uncertainty. It is worth noting that for the seven largest emerging markets in the index, the level of dollar debt is less than 10% of GDP on average.

Since we have started managing the portfolio, holdings in Brazil such as Banco Bradesco and Petrobras have helped performance, while weakness in shares of Premier Oil and Cemex detracted. Given our long-term approach, we don't tend to draw conclusions from performance over a short period.

## Vanguard Emerging Markets Select Stock Fund Investment Advisors

Investment Advisor	Fund Assets Managed		Investment Strategy
	%	\$ Million	
Oaktree Capital Management, L.P.	26	146	Seeks securities that have been undervalued by investors. Oaktree's investment process is driven by bottom-up research, which includes extensive travel to meet company management and maintaining in-house models focused on deriving reliable cash-flow projections.
Pzena Investment Management, LLC	25	143	Uses a deep-value approach that focuses on the most undervalued companies based on price-to-normalized earnings. The firm believes that this value philosophy works well globally and is especially effective in emerging markets because of generally wider valuation spreads.
Wellington Management Company LLP	25	141	Allocates the assets in its portion of the fund to a team of global analysts who seek to add value through in-depth fundamental research and understanding of their industries. By covering the same companies over a period of many years, these investment professionals gain comprehensive insight to guide decisions for their subportfolios.
Baillie Gifford Overseas Ltd.	20	115	Believes that companies that can sustainably grow their business and increase earnings faster than market average will perform best. Stock selection is driven by bottom-up, fundamental analysis, focusing on a company's potential over a meaningful time period, typically three to five years and beyond.
Cash Investments	4	19	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.

# Emerging Markets Select Stock Fund

## Fund Profile

As of October 31, 2018

### Portfolio Characteristics

	Fund	FTSE Emerging Index	MSCI AC World Index ex USA
Number of Stocks	300	1,017	2,162
Median Market Cap	\$24.9B	\$21.2B	\$32.1B
Price/Earnings Ratio	10.7x	12.2x	12.7x
Price/Book Ratio	1.3x	1.7x	1.6x
Return on Equity	14.5%	17.0%	12.6%
Earnings Growth Rate	6.2%	13.5%	8.7%
Dividend Yield	2.9%	2.9%	3.2%
Turnover Rate	76%	—	—
Ticker Symbol	VMMSX	—	—
Expense Ratio <sup>1</sup>	0.92%	—	—
Short-Term Reserves	1.4%	—	—

### Sector Diversification (% of equity exposure)

	Fund
Communication Services	9.8%
Consumer Discretionary	10.3
Consumer Staples	4.9
Energy	12.8
Financials	27.3
Health Care	1.1
Industrials	4.0
Information Technology	14.7
Materials	8.9
Real Estate	1.5
Utilities	4.7

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.

### Volatility Measures

	FTSE Emerging Index	MSCI AC World Index ex USA
R-Squared	0.96	0.78
Beta	0.98	1.15

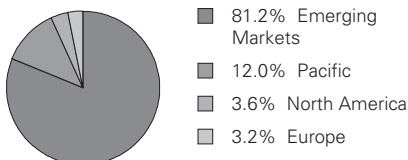
These measures show the degree and timing of the fund's fluctuations compared with the indexes over 36 months.

### Ten Largest Holdings (% of total net assets)

Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors	4.3%
Tencent Holdings Ltd.	Interactive Media & Services	3.8
Alibaba Group Holding Ltd.	Internet & Direct Marketing Retail	2.4
Petroleo Brasileiro SA	Integrated Oil & Gas	2.3
LUKOIL PJSC	Integrated Oil & Gas	2.1
China Construction Bank Corp.	Diversified Banks	2.0
Ping An Insurance Group Co. of China Ltd.	Life & Health Insurance	2.0
CNOOC Ltd.	Oil & Gas Exploration & Production	2.0
Samsung Electronics Co. Ltd.	Technology Hardware, Storage, & Peripherals	1.9
ICICI Bank Ltd.	Diversified Banks	1.6
Top Ten		24.4%

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

### Allocation by Region (% of equity exposure)



<sup>1</sup> The expense ratio shown is from the prospectus dated February 22, 2018, and represents estimated costs for the current fiscal year. For the fiscal year ended October 31, 2018, the fund's expense ratio was 0.94%.

## Emerging Markets Select Stock Fund

### Market Diversification (% of equity exposure)

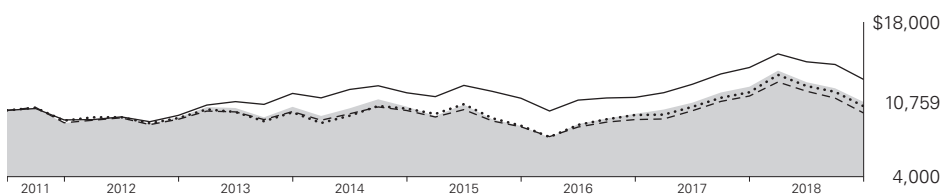
	Fund	FTSE Emerging Index	MSCI AC World Index ex USA
<b>Europe</b>			
United Kingdom	2.3%	0.0%	12.1%
Other	0.9	0.4	30.9
Subtotal	3.2%	0.4%	43.0%
<b>Pacific</b>			
South Korea	8.5%	0.0%	3.4%
Hong Kong	2.6	0.0	2.5
Other	0.9	0.0	22.6
Subtotal	12.0%	0.0%	28.5%
<b>Emerging Markets</b>			
China	29.7%	32.6%	7.0%
Taiwan	9.8	13.5	2.9
India	9.7	11.1	2.1
Brazil	9.5	9.7	2.0
Russia	6.9	4.5	0.8
South Africa	3.8	7.3	1.4
Thailand	2.6	3.8	0.6
Indonesia	2.1	2.3	0.5
Mexico	2.1	3.6	0.7
Other	5.0	9.6	2.0
Subtotal	81.2%	98.0%	20.0%
<b>North America</b>			
United States	3.3%	0.0%	0.4%
Other	0.3	0.0	6.6
Subtotal	3.6%	0.0%	7.0%
<b>Middle East</b>	0.0%	0.0%	0.2%
<b>Other</b>	0.0%	1.6%	1.3%

## 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](http://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: June 27, 2011, Through October 31, 2018

Initial Investment of \$10,000



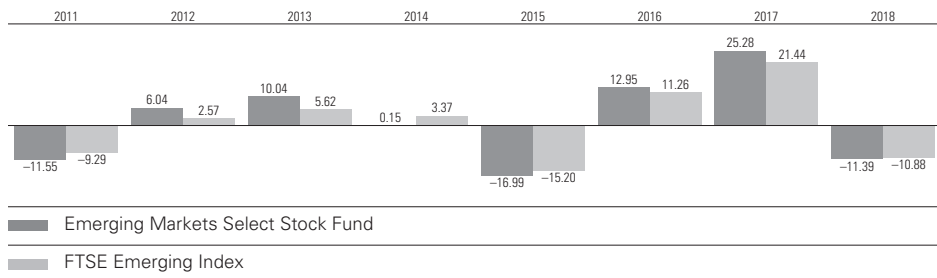
	Average Annual Total Returns Periods Ended October 31, 2018			Final Value of a \$10,000 Investment
	One Year	Five Years	Since Inception (6/27/2011)	
Emerging Markets Select Stock Fund	-11.39%	0.83%	1.00%	\$10,759
FTSE Emerging Index	-10.88	1.08	0.50	10,372
Emerging Markets Funds Average	-13.63	-0.26	-0.33	9,760
MSCI All Country World Index ex USA	-7.80	2.10	3.42	12,799

Emerging Markets Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

"Since Inception" performance is calculated from the inception date for both the fund and its comparative standards.

## Emerging Markets Select Stock Fund

### Fiscal-Year Total Returns (%): June 27, 2011, Through October 31, 2018



### Average Annual Total Returns: Periods Ended September 30, 2018

This table presents returns through the latest calendar quarter—rather than through the end of the fiscal period. Securities and Exchange Commission rules require that we provide this information.

	Inception Date	One Year	Five Years	Since Inception
Emerging Markets Select Stock Fund	6/27/2011	-1.80%	3.39%	2.08%



# Financial Statements

## Statement of Net Assets

As of October 31, 2018

The fund reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the fund's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the fund files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website at [sec.gov](http://sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (95.0%)<sup>1</sup></b>			Magazine Luiza SA	12,200	553
<b>Argentina (0.3%)</b>			Braskem SA Preference Shares	26,100	366
* YPF SA ADR	89,163	1,337	Randon Participacoes SA Preference Shares	121,500	259
Banco Macro SA ADR	10,914	488	Atacadao Distribuicao Comercio e Industria Ltda	59,900	245
		<b>1,825</b>	Petroleo Brasileiro SA	25,600	209
<b>Brazil (8.9%)</b>					<b>50,129</b>
Petroleo Brasileiro SA ADR Preference Shares	397,834	5,896	<b>Canada (0.3%)</b>		
Itau Unibanco Holding SA ADR	361,618	4,762	* Valeura Energy Inc.	243,300	750
Petroleo Brasileiro SA ADR	291,434	4,736	Lundin Mining Corp.	170,000	699
Banco Bradesco SA ADR	484,265	4,441			<b>1,449</b>
Vale SA Class B ADR	230,698	3,483	<b>China (27.8%)</b>		
*^ BRF SA ADR	567,828	3,361	Tencent Holdings Ltd.	632,651	21,674
Telefonica Brasil SA ADR	288,946	3,352	* Alibaba Group Holding Ltd. ADR	93,436	13,294
Itau Unibanco Holding SA Preference Shares	214,048	2,833	China Construction Bank Corp.	14,326,050	11,368
Cia de Saneamento Basico do Estado de Sao Paulo	329,289	2,473	Ping An Insurance Group Co. of China Ltd.	1,200,322	11,348
Petroleo Brasileiro SA Preference Shares	275,500	2,045	CNOOC Ltd.	4,626,276	7,878
Banco Bradesco SA Preference Shares	182,900	1,686	Industrial & Commercial Bank of China Ltd.	10,662,882	7,234
Cia de Saneamento do Parana	110,720	1,537	China Mobile Ltd.	651,000	6,098
Petrobras Distribuidora SA	228,745	1,474	China Merchants Bank Co. Ltd.	1,345,000	5,194
CVC Brasil Operadora e Agencia de Viagens SA	96,056	1,461	Lenovo Group Ltd.	7,326,000	4,672
Lojas Renner SA	119,945	1,212	Dongfeng Motor Group Co. Ltd.	4,414,000	4,362
Gerdaul SA Preference Shares	220,900	965	China Shenhua Energy Co. Ltd.	1,682,500	3,807
B3 SA - Brasil Bolsa Balcao	109,400	780	China Resources Power Holdings Co. Ltd.	2,070,000	3,642
Kroton Educacional SA	246,900	758	CNOOC Ltd. ADR	18,780	3,179
Localiza Rent a Car SA	81,200	627			
Ultrapar Participacoes SA	51,700	615			

Emerging Markets Select Stock Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
China Longyuan Power Group Corp. Ltd.	4,173,380	3,176	Datang International Power Generation Co. Ltd.	2,830,700	633
Huadian Power International Corp. Ltd.	7,982,000	3,028	China Petroleum & Chemical Corp.	767,682	625
China Agri-Industries Holdings Ltd.	7,818,000	2,620	*.5.2 Tianhe Chemicals Group Ltd.	4,142,000	618
China Oilfield Services Ltd.	2,673,736	2,495	CIFI Holdings Group Co. Ltd.	1,446,885	607
* Baidu Inc. ADR	12,758	2,425	Haier Electronics Group Co. Ltd.	283,000	594
Guangzhou R&F Properties Co. Ltd.	1,410,400	2,227	2 BAIC Motor Corp. Ltd.	949,500	536
China Telecom Corp. Ltd.	4,628,980	2,190	Shandong Weigao Group Medical Polymer Co. Ltd.	549,800	492
China Railway Group Ltd.	2,273,000	2,031	Guangdong Investment Ltd.	250,848	449
Sinopharm Group Co. Ltd.	408,000	1,977	PetroChina Co. Ltd.	576,053	414
China National Building Material Co. Ltd.	2,426,000	1,744	Kingsoft Corp. Ltd.	273,000	388
China Pacific Insurance Group Co. Ltd.	415,300	1,550	CSPC Pharmaceutical Group Ltd.	180,800	385
Anhui Conch Cement Co. Ltd.	298,000	1,545	*.2 Innovent Biologics Inc.	171,000	362
ENN Energy Holdings Ltd.	178,912	1,527	China Traditional Chinese Medicine Holdings Co. Ltd.	551,094	352
China Dongxiang Group Co. Ltd.	9,032,000	1,395	Brilliance China Automotive Holdings Ltd.	364,000	319
* Weibo Corp. ADR	23,400	1,381	BBMG Corp.	1,083,000	300
Grand Baoxin Auto Group Ltd.	6,169,000	1,346	Shanghai Fosun Pharmaceutical Group Co. Ltd.	89,795	270
Longfor Group Holdings Ltd.	514,701	1,251	*.2 Asclepis Pharma Inc.	359,904	263
Sunny Optical Technology Group Co. Ltd.	132,700	1,159	* New Oriental Education & Technology Group Inc. ADR	4,187	245
Shimao Property Holdings Ltd.	583,136	1,149	* Aluminum Corp. of China Ltd.	447,427	163
* Ctrip.com International Ltd. ADR	33,901	1,128	*.2 Ping An Healthcare and Technology Co. Ltd.	32,351	156
China Vanke Co. Ltd.	357,000	1,102	China Resources Medical Holdings Co. Ltd.	221,300	153
*.^ Pinduoduo Inc. ADR	52,147	920	West China Cement Ltd.	960,200	143
ZTE Corp.	584,000	894	* BeiGene Ltd. ADR	1,100	139
*.2 Jiangxi Ganfeng Lithium Co. Ltd.	548,573	884	SSY Group Ltd.	60,000	51
Shenzhou International Group Holdings Ltd.	74,000	820			157,077
China Overseas Land & Investment Ltd.	222,296	699	<b>Colombia (0.2%)</b>		
Dah Chong Hong Holdings Ltd.	2,037,903	691	* CEMEX Latam Holdings SA	366,223	569
Geely Automobile Holdings Ltd.	350,000	674	Grupo Energia Bogota SA ESP	817,746	471
Ping An Bank Co. Ltd. Class A	408,000	642			1,040

Emerging Markets Select Stock Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Czech Republic (0.8%)</b>					
CEZ AS	122,825	2,922	Tata Consultancy Services Ltd.	73,397	1,924
Komerční banka as	35,700	1,355	Mahindra & Mahindra Ltd.	164,567	1,706
		<u>4,277</u>	NHPC Ltd.	4,575,851	1,508
<b>Greece (0.5%)</b>					
* Alpha Bank AE Hellenic Telecommunications Organization SA	1,119,691	1,690	Indiabulls Housing Finance Ltd.	115,484	1,303
Hellenic Petroleum SA	62,387	695	* Punjab National Bank	1,293,241	1,288
	85,964	681	Bharti Infratel Ltd.	347,423	1,264
		<u>3,066</u>	HDFC Bank Ltd. ADR	13,885	1,234
<b>Hong Kong (2.5%)</b>					
Want Want China Holdings Ltd.	2,772,000	1,983	Godrej Consumer Products Ltd.	114,682	1,127
ALA Group Ltd.	248,301	1,889	Maruti Suzuki India Ltd.	11,289	1,010
Pacific Basin Shipping Ltd.	7,646,975	1,676	Ambuja Cements Ltd.	372,700	995
Galaxy Entertainment Group Ltd.	271,000	1,471	Varun Beverages Ltd.	69,353	765
Stella International Holdings Ltd.	1,374,500	1,379	Marico Ltd.	171,379	745
<sup>2</sup> Samsonite International SA	412,202	1,189	Jubilant Foodworks Ltd.	50,016	734
* MMG Ltd.	2,405,400	907	* Westlife Development Ltd.	154,379	676
Singamas Container Holdings Ltd.	5,455,077	877	Power Grid Corp. of India Ltd.	259,627	653
Precision Tsugami China Corp. Ltd.	711,000	650	Asian Paints Ltd.	36,693	611
Minth Group Ltd.	184,000	598	Bharat Electronics Ltd.	470,917	592
AMVIG Holdings Ltd.	1,777,578	444	Indraprastha Gas Ltd.	158,317	573
Texwinca Holdings Ltd.	1,043,000	355	UltraTech Cement Ltd.	11,940	565
Microport Scientific Corp.	284,037	339	Oberoi Realty Ltd.	95,232	546
* Pentamaster International Ltd.	1,268,681	152	<sup>2</sup> ICICI Prudential Life Insurance Co. Ltd.	111,020	499
SITC International Holdings Co. Ltd.	161,000	118	TAKE Solutions Ltd.	203,228	446
China Mengniu Dairy Co. Ltd.	31,000	92	* Tata Motors Ltd. Class A	235,418	311
		<u>14,119</u>	ACC Ltd.	16,142	300
<b>Hungary (0.6%)</b>					
OTP Bank Nyrt	100,005	3,593	* <sup>2</sup> Tejas Networks Ltd.	44,972	155
<b>India (9.1%)</b>					
Reliance Industries Ltd.	589,296	8,460			<u>51,187</u>
ICICI Bank Ltd. ADR	529,289	5,023	<b>Indonesia (2.0%)</b>		
* State Bank of India	1,152,029	4,384	Bank Rakyat Indonesia Persero Tbk PT	17,340,100	3,599
ICICI Bank Ltd.	886,748	4,253	Bank Mandiri Persero Tbk PT	4,929,800	2,215
Housing Development Finance Corp. Ltd.	138,435	3,312	Bank Central Asia Tbk PT	929,480	1,447
Infosys Ltd. ADR	237,885	2,253	Bank Danamon Indonesia Tbk PT	2,950,300	1,442
NTPC Ltd.	913,565	1,972	Semen Indonesia Persero Tbk PT	2,427,600	1,440
			Hanjaya Mandala Sampoerna Tbk PT	2,700,000	665
			Mitra Adiperkasa Tbk PT	6,953,040	366
			Sarana Menara Nusantara Tbk PT	4,188,230	133
					<u>11,307</u>
<b>Japan (0.2%)</b>					
			Nexon Co. Ltd.	94,724	1,080



## Emerging Markets Select Stock Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Doosan Bobcat Inc.	25,536	792	Getac Technology Corp.	90,223	106
Hyundai Marine & Fire Insurance Co. Ltd.	20,398	750	Global Unichip Corp.	13,181	90
S-Oil Corp.	6,585	719	Voltronic Power Technology Corp.	5,430	88
CJ CheilJedang Corp.	2,171	619	* Pan Jit International Inc.	117,000	85
Orion Corp.	7,337	614	Hota Industrial Manufacturing Co. Ltd.	14,979	63
<sup>2</sup> Netmarble Corp.	5,585	552			<b>51,689</b>
NAVER Corp.	5,140	518			
LG Chem Ltd. Preference Shares	2,251	395	<b>Thailand (2.4%)</b>		
* Hugel Inc.	723	175	Siam Commercial Bank PCL	1,009,500	4,189
		<b>45,674</b>	Bangkok Bank PCL	415,900	2,600
<b>Taiwan (9.2%)</b>			Charoen Pokphand Foods PCL (Foreign)	2,983,700	2,274
Taiwan Semiconductor Manufacturing Co. Ltd.	2,014,909	15,127	Kasikornbank PCL	304,700	1,834
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	243,704	9,285	Thai Oil PCL (Foreign)	693,200	1,773
Hon Hai Precision Industry Co. Ltd.	2,655,886	6,761	* Precious Shipping PCL	2,086,777	727
Compal Electronics Inc.	7,716,000	4,262	PTT PCL (Foreign)	121,400	187
United Microelectronics Corp.	7,621,600	2,904			<b>13,584</b>
Realtek Semiconductor Corp.	683,000	2,750	<b>Turkey (0.8%)</b>		
Globalwafers Co. Ltd.	148,718	1,184	Akbank T.A.S.	2,283,895	2,701
E.Sun Financial Holding Co. Ltd.	1,548,992	1,029	Tupras Turkiye Petrol Rafinerileri AS	30,102	710
MediaTek Inc.	135,000	997	Turkiye Garanti Bankasi AS	464,192	584
Largan Precision Co. Ltd.	9,062	990	KOC Holding AS	149,807	418
Sino-American Silicon Products Inc.	393,416	737			<b>4,413</b>
Airtac International Group	81,738	705	<b>United Arab Emirates (0.7%)</b>		
Gourmet Master Co. Ltd.	91,486	555	Union National Bank PJSC	2,440,749	3,160
Pegatron Corp.	295,000	539	Abu Dhabi National Oil Co. for Distribution PJSC	805,804	486
* PChome Online Inc.	106,700	488	Dubai Financial Market PJSC	2,048,666	484
Eclat Textile Co. Ltd.	39,000	464			<b>4,130</b>
Elite Material Co. Ltd.	224,994	451	<b>United Kingdom (2.2%)</b>		
Wafer Works Corp.	265,271	270	Standard Chartered plc	477,308	3,345
Catcher Technology Co. Ltd.	24,945	252	Anglo American plc	77,355	1,651
Chroma ATE Inc.	64,997	229	* Premier Oil plc	1,134,613	1,557
Walsin Technology Corp.	50,987	215	Antofagasta plc	139,024	1,392
Formosa Sumco Technology Corp.	55,620	191	KAZ Minerals plc	191,936	1,267
ASPEED Technology Inc.	12,686	187	Coca-Cola HBC AG	38,695	1,143
Yageo Corp.	17,408	179	* Bank of Cyprus Holdings plc	414,614	822
LandMark Optoelectronics Corp.	21,464	143	* Petra Diamonds Ltd.	774,771	388
Silergy Corp.	10,897	139	Commercial International Bank Egypt SAE GDR	84,362	367
Bizlink Holding Inc.	21,884	117	Hikma Pharmaceuticals plc	10,630	258
Vanguard International Semiconductor Corp.	57,831	107	<sup>2</sup> Vivo Energy plc	175,247	257
					<b>12,447</b>

## Emerging Markets Select Stock Fund

	Shares	Market Value* (\$000)
<b>United States (4.2%)</b>		
<sup>3</sup> Vanguard FTSE Emerging Markets ETF	165,008	6,247
Genpact Ltd.	99,043	2,715
Millicom International Cellular SA	42,041	2,372
* Azul SA ADR	78,381	1,911
* Yandex NV Class A	62,777	1,892
Cognizant Technology Solutions Corp. Class A	26,803	1,850
Yum China Holdings Inc.	47,972	1,731
* Flex Ltd.	207,226	1,629
MercadoLibre Inc.	3,869	1,256
Southern Copper Corp.	22,098	847
NXP Semiconductors NV	9,600	720
* Sea Ltd. ADR	31,290	408
Kulicke & Soffa Industries Inc.	9,154	186
		<u>23,764</u>
<b>Total Common Stocks (Cost \$550,604)</b>		<b>536,153</b>
<b>Temporary Cash Investments (5.1%)<sup>1</sup></b>		
<b>Money Market Fund (4.7%)</b>		
<sup>4,5</sup> Vanguard Market Liquidity Fund, 2.308%	264,138	26,414
	Face Amount (\$000)	
<b>U.S. Government and Agency Obligations (0.4%)</b>		
<sup>6</sup> United States Treasury Bill, 2.078%, 11/15/18	2,050	2,048
<b>Total Temporary Cash Investments (Cost \$28,460)</b>		<b>28,462</b>
<b>Total Investments (100.1%) (Cost \$579,064)</b>		<b>564,615</b>
<b>Other Assets and Liabilities (-0.1%)</b>		
Other Assets		6,190
Liabilities <sup>5</sup>		(6,485)
		<u>(295)</u>
<b>Net Assets (100%)</b>		
Applicable to 28,674,943 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)		564,320
<b>Net Asset Value Per Share</b>		<b>\$19.68</b>

## Statement of Assets and Liabilities

	Amount (\$000)
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers	531,954
Affiliated Issuers	<u>32,661</u>
Total Investments in Securities	564,615
Investments in Vanguard	32
Receivables for Investment Securities Sold	1,648
Receivables for Accrued Income	642
Receivables for Capital Shares Issued	999
Variation Margin Receivable—Futures Contracts	183
Other Assets <sup>5</sup>	<u>2,686</u>
<b>Total Assets</b>	<b>570,805</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	1,062
Collateral for Securities on Loan	3,763
Payables to Investment Advisor	851
Payables for Capital Shares Redeemed	218
Payables to Vanguard	343
Other Liabilities	<u>248</u>
<b>Total Liabilities</b>	<b>6,485</b>
<b>Net Assets</b>	<b>564,320</b>

## Emerging Markets Select Stock Fund

At October 31, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	569,412
Total Distributable Earnings (Loss)	(5,092)
<b>Net Assets</b>	<b>564,320</b>

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$3,707,000.

§ Security value determined using significant unobservable inputs.

1 The fund invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the fund's effective common stock and temporary cash investment positions represent 98.0% and 2.1%, respectively, of net assets.

2 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At October 31, 2018, the aggregate value of these securities was \$5,816,000, representing 1.0% of net assets.

3 Considered an affiliated company of the fund as the issuer is another member of The Vanguard Group.

4 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

5 Includes \$3,763,000 of collateral received for securities on loan, of which \$3,322,000 is held in Vanguard Market Liquidity Fund and \$441,000 is held in cash.

6 Securities with a value of \$989,000 have been segregated as initial margin for open futures contracts.

ADR—American Depositary Receipt.

GDR—Global Depositary Receipt.

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

			(\$000)	
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Long Futures Contracts				
MSCI Emerging Market Index	December 2018	354	16,934	(1,315)

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

# Statement of Operations

Year Ended  
October 31, 2018  
(\$000)

<b>Investment Income</b>	
<b>Income</b>	
Dividends—Unaffiliated Issuers <sup>1</sup>	18,365
Dividends—Affiliated Issuers	135
Interest—Unaffiliated Issuers	40
Interest—Affiliated Issuers	567
Securities Lending—Net	19
Total Income	19,126
<b>Expenses</b>	
Investment Advisory Fees—Note B	
Basic Fee	3,579
Performance Adjustment	312
The Vanguard Group—Note C	
Management and Administrative	1,910
Marketing and Distribution	132
Custodian Fees	460
Auditing Fees	40
Shareholders' Reports and Proxy	16
Trustees' Fees and Expenses	1
Total Expenses	6,450
Expenses Paid Indirectly	(12)
Net Expenses	6,438
<b>Net Investment Income</b>	<b>12,688</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold—Unaffiliated Issuers	15,333
Investment Securities Sold—Affiliated Issuers	240
Futures Contracts	(1,242)
Foreign Currencies	(504)
<b>Realized Net Gain (Loss)</b>	<b>13,827</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities—Unaffiliated Issuers	(102,546)
Investment Securities—Affiliated Issuers	(1,063)
Futures Contracts	(1,648)
Foreign Currencies	2
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(105,255)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(78,740)</b>

<sup>1</sup> Dividends are net of foreign withholding taxes of \$1,980,000.

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



## Statement of Changes in Net Assets

	Year Ended October 31,	
	2018 (\$000)	2017 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	12,688	9,673
Realized Net Gain (Loss)	13,827	18,865
Change in Unrealized Appreciation (Depreciation)	(105,255)	79,670
Net Increase (Decrease) in Net Assets Resulting from Operations	(78,740)	108,208
<b>Distributions</b>		
Net Investment Income	(10,297)	(4,709)
Realized Capital Gain	—	—
Total Distributions	(10,297)	(4,709)
<b>Capital Share Transactions</b>		
Issued	303,890	336,874
Issued in Lieu of Cash Distributions	9,303	4,315
Redeemed	(305,679)	(138,023)
Net Increase (Decrease) from Capital Share Transactions	7,514	203,166
Total Increase (Decrease)	(81,523)	306,665
<b>Net Assets</b>		
Beginning of Period	645,843	339,178
End of Period	564,320	645,843

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

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended October 31,				
	2018	2017	2016	2015	2014
<b>Net Asset Value, Beginning of Period</b>	<b>\$22.56</b>	<b>\$18.27</b>	<b>\$16.48</b>	<b>\$20.13</b>	<b>\$20.37</b>
<b>Investment Operations</b>					
Net Investment Income	.414 <sup>1</sup>	.413 <sup>1</sup>	.234	.290	.264
Net Realized and Unrealized Gain (Loss) on Investments	(2.943)	4.129	1.840	(3.685)	(.242)
Total from Investment Operations	(2.529)	4.542	2.074	(3.395)	.022
<b>Distributions</b>					
Dividends from Net Investment Income	(.351)	(.252)	(.284)	(.255)	(.262)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.351)	(.252)	(.284)	(.255)	(.262)
<b>Net Asset Value, End of Period</b>	<b>\$19.68</b>	<b>\$22.56</b>	<b>\$18.27</b>	<b>\$16.48</b>	<b>\$20.13</b>
<b>Total Return<sup>2</sup></b>	<b>-11.39%</b>	<b>25.28%</b>	<b>12.95%</b>	<b>-16.99%</b>	<b>0.15%</b>

### Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$564	\$646	\$339	\$259	\$311
Ratio of Total Expenses to Average Net Assets <sup>3</sup>	0.94%	0.92%	0.90%	0.93%	0.96%
Ratio of Net Investment Income to Average Net Assets	1.85%	2.04%	1.57%	1.59%	1.53%
Portfolio Turnover Rate	76%	44%	46%	49%	54%

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 0.05%, (0.01%), (0.03%), 0.00%, and 0.04%.

## Notes to Financial Statements

Vanguard Emerging Markets Select Stock Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund invests in securities of foreign issuers, which may subject it to investment risks not normally associated with investing in securities of U.S. corporations. Further, at October 31, 2018, the fund had a concentration of its investments in securities issued in China, and the performance of such investments may be impacted by the country's social, political, and economic conditions.

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 assets pledged as initial margin for open contracts are noted in the Statement of Net Assets.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Net Assets. 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 futures gains (losses).

During the year ended October 31, 2018, the fund's average investments in long and short futures contracts represented 4% 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. Management has analyzed the fund's tax positions taken for all open federal income tax years (October 31, 2015–2018), and has concluded that no provision for federal 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 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. 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 Facility: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes,

and are subject to the fund's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn 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 this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The fund had no borrowings outstanding at October 31, 2018, or at any time during the period then ended.

8. Other: Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, to interest income over the lives of the respective securities. 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. The investment advisory firms Oaktree Capital Management, L.P., Pzena Investment Management, LLC, Wellington Management Company LLP, and, beginning August 2018, Baillie Gifford Overseas Ltd. 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 fees of Oaktree Capital Management, L.P., Pzena Investment Management, LLC, and Wellington Management Company LLP are subject to quarterly adjustments based on performance relative to the FTSE Emerging Index for the preceding three years. In accordance with the advisory contract entered into with Baillie Gifford Overseas Ltd., beginning August 1, 2019, the investment advisory fee will be subject to quarterly adjustments based on performance relative to the FTSE Emerging Index since July 31, 2018. Until August 2018, a portion of the fund was managed by M&G Investment Management Limited. The basic fee paid to M&G Investment Management Limited was subject to quarterly adjustments based on performance relative to the FTSE Emerging Index for the preceding three years.

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

For the year ended October 31, 2018, the aggregate investment advisory fee represented an effective annual basic rate of 0.52% of the fund's average net assets, before a net increase of \$312,000 (0.05%) 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. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the fund's liability for these costs of operations is included in Payables to Vanguard on the Statement of Assets and Liabilities. All other costs of operations payable to Vanguard 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, 2018, the fund had contributed to Vanguard capital in the amount of \$32,000, representing 0.01% of the fund's net assets and 0.01% of Vanguard's capitalization. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

**D.** The fund has asked its investment advisors to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the fund part of the commissions generated. Such rebates are used solely to reduce the fund's management and administrative expenses. The fund's custodian bank has also agreed to reduce its fees when the fund maintains cash on deposit in the non-interest-bearing custody account. For the year ended October 31, 2018, these arrangements reduced the fund's management and administrative expenses by \$1,000 and custodian fees by \$11,000. The total expense reduction represented an effective annual rate of 0.00% of the fund's average net assets.

**E.** Various inputs may be used to determine the value of the fund's investments. 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 valued with significant unobservable inputs are noted on the Statement of Net Assets.

The following table summarizes the market value of the fund's investments as of October 31, 2018, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks—North and South America	87,751	2,372	—
Common Stocks—Other	43,995	401,417	618
Temporary Cash Investments	26,414	2,048	—
Futures Contracts—Assets <sup>1</sup>	183	—	—
<b>Total</b>	<b>158,343</b>	<b>405,837</b>	<b>618</b>

<sup>1</sup> Represents variation margin on the last day of the reporting period.

Securities in certain countries may transfer between Level 1 and Level 2 because of differences in stock market closure times that may result from transitions between standard and daylight saving time in those countries and the United States. Based on values on the date of transfer, securities valued at \$32,924,000 based on Level 2 inputs were transferred from Level 1 during the fiscal year. Additionally, based on values on the date of transfer, securities valued at \$44,984,000 based on Level 1 inputs were transferred from Level 2 during the fiscal year.

F. Permanent differences between book-basis and tax-basis components of net assets, are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of the period end, the following permanent differences primarily attributable to the accounting for foreign currency transactions, passive foreign investment companies, and tax expense on capital gains were reclassified between the individual components of total distributable earnings (loss).

	Amount (\$000)
Paid-in Capital	—
Total Distributable Earnings (Loss)	—

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the tax deferral of losses on wash sales, the realization of unrealized gains or losses on certain futures contracts, and unrealized gains on passive foreign investment companies. 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	13,034
Undistributed Long-Term Gains	—
Capital Loss Carryforwards (Non-expiring)*	(2,886)
Net Unrealized Gains (Losses)	(14,991)

\* The fund used capital loss carryforwards of \$10,902,000 to offset taxable capital gains realized during the year ended October 31, 2018, reducing the amount of capital gains that would otherwise be available to distribute to shareholders.

As of October 31, 2018, 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	579,609
Gross Unrealized Appreciation	52,935
Gross Unrealized Depreciation	(67,929)
Net Unrealized Appreciation (Depreciation)	(14,994)

## Emerging Markets Select Stock Fund

G. During the year ended October 31, 2018, the fund purchased \$508,467,000 of investment securities and sold \$489,976,000 of investment securities, other than temporary cash investments.

H. Capital shares issued and redeemed were:

	Year Ended October 31,	
	2018 Shares (000)	2017 Shares (000)
Issued	13,294	16,819
Issued in Lieu of Cash Distributions	417	250
Redeemed	(13,666)	(7,006)
Net Increase (Decrease) in Shares Outstanding	45	10,063

I. Transactions during the period in investments where the issuer is another member of The Vanguard Group were as follows:

	Oct. 31, 2017 Market Value (\$000)	Current Period Transactions						Oct. 31, 2018 Market Value (\$000)
		Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) (\$000)	Income	Capital Gain Distributions Received (\$000)	
Vanguard Market Liquidity Fund	37,394	NA <sup>1</sup>	NA <sup>1</sup>	(2)	—	567	—	26,414
Vanguard FTSE Emerging Markets ETF	7,249	14,645	14,826	242	(1,063)	135	—	6,247
Total	44,643			240	(1,063)	702	—	32,661

<sup>1</sup> Not applicable—purchases and sales are for temporary cash investment purposes.

J. Management has determined that no events or transactions occurred subsequent to October 31, 2018, that would require recognition or disclosure in these financial statements.



# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Trustees' Equity Fund and Shareholders of Vanguard Emerging Markets Select Stock Fund

## Opinion on the Financial Statements

We have audited the accompanying statement of net assets and statement of assets and liabilities of Vanguard Emerging Markets Select Stock Fund (one of the funds constituting Vanguard Trustees' Equity Fund, referred to hereafter as the "Fund") as of October 31, 2018, the related statement of operations for the year ended October 31, 2018, the statement of changes in net assets for each of the two years in the period ended October 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended October 31, 2018 (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, 2018, 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, 2018 and the financial highlights for each of the five years in the period ended October 31, 2018 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, 2018 by correspondence with the custodians and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
December 13, 2018

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

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**Special 2018 tax information (unaudited) for Vanguard Emerging Markets Select Stock Fund**

This information for the fiscal year ended October 31, 2018, is included pursuant to provisions of the Internal Revenue Code.

The fund distributed \$8,291,000 of qualified dividend income to shareholders during the fiscal year.

The fund designates to shareholders foreign source income of \$19,834,000 and foreign taxes paid of \$2,035,000. Shareholders will receive more detailed information with their Form 1099-DIV in January 2019 to determine the calendar-year amounts to be included on their 2018 tax returns.

## Your Fund's After-Tax Returns

This table presents returns for your fund both before and after taxes. The after-tax returns are shown in two ways: (1) assuming that an investor owned the fund during the entire period and paid taxes on the fund's distributions, and (2) assuming that an investor paid taxes on the fund's distributions *and* sold all shares at the end of each period.

Calculations are based on the highest individual federal income tax and capital gains tax rates in effect at the times of the distributions and the hypothetical sales. State and local taxes were not considered. After-tax returns reflect any qualified dividend income, using actual prior-year figures and estimates for 2018. (In the example, returns after the sale of fund shares may be higher than those assuming no sale. This occurs when the sale would have produced a capital loss. The calculation assumes that the investor received a tax deduction for the loss.)

Please note that your actual after-tax returns will depend on your tax situation and may differ from those shown. Also note that if you own the fund in a tax-deferred account, such as an individual retirement account or a 401(k) plan, this information does not apply to you. Such accounts are not subject to current taxes.

Finally, keep in mind that a fund's performance—whether before or after taxes—does not guarantee future results.

### Average Annual Total Returns: Emerging Markets Select Stock Fund

Periods Ended October 31, 2018

	One Year	Five Years	Since Inception (6/27/2011)
Returns Before Taxes	-11.39%	0.83%	1.00%
Returns After Taxes on Distributions	-11.66	0.53	0.78
Returns After Taxes on Distributions and Sale of Fund Shares	-6.39	0.67	0.81

# 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, 2018**

	Beginning Account Value 4/30/2018	Ending Account Value 10/31/2018	Expenses Paid During Period
Emerging Markets Select Stock Fund			
Based on Actual Fund Return	\$1,000.00	\$857.14	\$4.26
Based on Hypothetical 5% Yearly Return	1,000.00	1,020.62	4.63

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 0.91%. 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).

# Trustees Approve Advisory Arrangements

Effective July 2018, the board of trustees of Vanguard Emerging Markets Select Stock Fund approved a restructuring of the fund's investment advisory arrangement whereby M&G Investment Management Limited no longer serves as advisor to the fund and Baillie Gifford Overseas Limited (Baillie Gifford or "advisor") is added as an advisor to the fund. The board determined that the investment advisory arrangement with Baillie Gifford 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 trustees 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 investment management services to be provided to the fund by Baillie Gifford and took into account the organizational depth and stability of the advisor. The board considered that Baillie Gifford, based in Edinburgh, Scotland, is currently Vanguard's fourth-largest advisory partner, managing seven Vanguard investment products around the world. The board noted that Baillie Gifford's emerging markets team employs a growth-oriented, top-down approach that focuses on companies it believes possess the most substantial growth prospects over the next five to ten years. The team is supported by firm-wide resources, including the Emerging Markets Investment Advisory Group and 90 investment professionals across various other teams.

The board concluded that the advisor's experience, stability, depth, and performance, among other factors, warranted approval of the advisory arrangement.

## **Investment performance**

The board determined that Baillie Gifford, in its management of other Vanguard funds, has a track record of consistent performance and disciplined investment processes. The board also noted that Baillie Gifford's emerging markets-focused strategy has performed well compared with a relevant benchmark over the past five years, driven by meaningful outperformance in 2013, 2015, and 2017. Information about the fund's most recent performance can be found in the Performance Summary section of this report.

## **Cost**

The board concluded that the addition of Baillie Gifford to the fund's investment advisory team is not expected to result in a change to the fund's base advisory fee and that the fund's expense ratio is expected to remain considerably lower than the expense ratio charged by funds in its peer group. Information about the fund's current expense ratio appears in the About Your Fund's Expenses section of this report as well as in the Financial Statements section, which also includes information about the current advisory fee rate.

The board did not consider the profitability of Baillie Gifford in determining whether to approve the advisory fee, because Baillie Gifford is independent of Vanguard and the advisory fee is the result of arm's-length negotiations.

**The benefit of economies of scale**

The board concluded that the fund's shareholders will benefit from economies of scale because of breakpoints in the advisory fee schedule with Baillie Gifford. The breakpoints reduce the effective rate of the fee as the fund's assets increase.

The board will consider whether to renew the advisory arrangement after a one-year period.

# Glossary

**Dividend Yield.** Dividend income earned by stocks, expressed as a percentage of the aggregate market value (or of net asset value, for a fund). The yield is determined by dividing the amount of the annual dividends by the aggregate value (or net asset value) at the end of the period. For a fund, the dividend yield is based solely on stock holdings and does not include any income produced by other investments.

**Earnings Growth Rate.** The average annual rate of growth in earnings over the past five years for the stocks now in a fund.

**Equity Exposure.** A measure that reflects a fund's investments in stocks and stock futures. Any holdings in short-term reserves are excluded.

**Expense Ratio.** A fund's total annual operating expenses expressed as a percentage of the fund's average net assets. The expense ratio includes management and administrative expenses, but does not include the transaction costs of buying and selling portfolio securities.

**Inception Date.** The date on which the assets of a fund (or one of its share classes) are first invested in accordance with the fund's investment objective. For funds with a subscription period, the inception date is the day after that period ends. Investment performance is measured from the inception date.

**Median Market Cap.** An indicator of the size of companies in which a fund invests; the midpoint of market capitalization (market price x shares outstanding) of a fund's stocks, weighted by the proportion of the fund's assets invested in each stock. Stocks representing half of the fund's assets have market capitalizations above the median, and the rest are below it.

**Price/Book Ratio.** The share price of a stock divided by its net worth, or book value, per share. For a fund, the weighted average price/book ratio of the stocks it holds.

**Price/Earnings Ratio.** The ratio of a stock's current price to its per-share earnings over the past year. For a fund, the weighted average P/E of the stocks it holds. P/E is an indicator of market expectations about corporate prospects; the higher the P/E, the greater the expectations for a company's future growth.

**Return on Equity.** The annual average rate of return generated by a company during the past five years for each dollar of shareholder's equity (net income divided by shareholder's equity). For a fund, the weighted average return on equity for the companies whose stocks it holds.

**Short-Term Reserves.** The percentage of a fund invested in highly liquid, short-term securities that can be readily converted to cash.

**Turnover Rate.** An indication of the fund's trading activity. Funds with high turnover rates incur higher transaction costs and may be more likely to distribute capital gains (which may be taxable to investors). The turnover rate excludes in-kind transactions, which have minimal impact on costs.



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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 on an at-cost basis.

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 211 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. 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](http://vanguard.com).

## Interested Trustees<sup>1</sup>

### F. William McNabb III

Born in 1957. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: chairman of the board (January 2010–present) of Vanguard and of each of the investment companies served by Vanguard, trustee (2009–present) of each of the investment companies served by Vanguard, and director (2008–present) of Vanguard. Chief executive officer and president (2008–2017) of Vanguard and each of the investment companies served by Vanguard, managing director (1995–2008) of Vanguard, and director (1997–2018) of Vanguard Marketing Corporation. Director (2018–present) of UnitedHealth Group.

### Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer (January 2018–present) of Vanguard; chief executive officer, president, and trustee (January 2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (February 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) of the Children's Hospital of Philadelphia.

## 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 Minnett Professor at the Rochester Institute of Technology. Lead 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. Trustee of the National Constitution Center.

<sup>1</sup> Mr. McNabb and Mr. Buckley are considered "interested persons," as defined in the Investment Company Act of 1940, because they are officers of the Vanguard funds.

**JoAnn Heffernan Heisen**

Born in 1950. Trustee since July 1998. Principal occupation(s) during the past five years and other experience: corporate vice president of Johnson & Johnson (pharmaceuticals/medical devices/consumer products) and member of its executive committee (1997–2008). Chief global diversity officer (retired 2008), vice president and chief information officer (1997–2006), controller (1995–1997), treasurer (1991–1995), and assistant treasurer (1989–1991) of Johnson & Johnson. Director of Skytop Lodge Corporation (hotels) and the Robert Wood Johnson Foundation. Member of the advisory board of the Institute for Women's Leadership at Rutgers University.

**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), Oxfam America, and the Lumina Foundation for Education. Director of the V Foundation for Cancer Research. 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.

**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 (1989–present) and vice president (1996–present) of the University of Notre Dame. Assistant professor of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Chairman of the board of TIFF Advisory Services, Inc. Member of the board of Catholic Investment Services, Inc. (investment advisors), the board of advisors for Spruceview Capital Partners, 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: president (2010–present) and chief executive officer (2011–present) 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 Guardian Life Insurance Company of America, the American Council of Life Insurers, the Partnership for New York City (business leadership), and the Committee Encouraging Corporate Philanthropy. Trustee of the Economic Club of New York 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 LLC (private investment firm). Overseer of the Museum of Fine Arts Boston.

**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. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director of i(x) Investments, LLC.

**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 Board of Hypertherm Inc. (industrial cutting systems, software, and consumables).

## Executive Officers

### Glenn Booraem

Born in 1967. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (2017–present), treasurer (2015–2017), controller (2010–2015), and assistant controller (2001–2010) of each of the investment companies served by Vanguard.

### Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard and global head of Fund Administration at Vanguard. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG LLP (audit, tax, and advisory services).

### Brian Dvorak

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2017–present) of Vanguard and each of the investment companies served by Vanguard. Assistant vice president (2017–present) of Vanguard Marketing Corporation. Vice president and director of Enterprise Risk Management (2011–2013) at Oppenheimer Funds, Inc.

### Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2008–present) and treasurer (1998–2008) of each of the investment companies served by Vanguard.

### 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. Director and senior vice president (2016–2018) of Vanguard Marketing Corporation. 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.

## Vanguard Senior Management Team

Joseph Brennan	Chris D. McIsaac
Mortimer J. Buckley	James M. Norris
Gregory Davis	Thomas M. Rampulla
John James	Karin A. Risi
Martha G. King	Anne E. Robinson
John T. Marcante	Michael Rollings

## Chairman Emeritus and Senior Advisor

### John J. Brennan

Chairman, 1996–2009  
Chief Executive Officer and President, 1996–2008

## Founder

### John C. Bogle

Chairman and Chief Executive Officer, 1974–1996



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