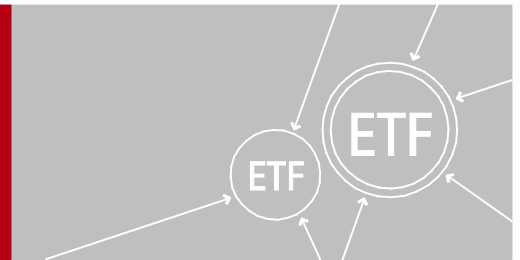




Vanguard

US SEC Filing Announcement for the Vanguard® Exchange Traded Funds

22 June 2018



Vanguard Investments Australia Ltd announces the following:

ETF	ASX CODE	ANNOUNCEMENT
Vanguard® All-World ex-US Shares Index ETF	VEU	US SEC Filing of Form N-CSR

The Vanguard Group, Inc. in the US has completed and filed Form N-CSR (certified annual shareholder report filed on Form N-CSR) for Registered Investment Companies with the Securities and Exchange Commission (SEC) in the US as part of the regulatory requirements of the SEC.

Further details of the SEC requirements for this filing are available at:

- www.sec.gov/about/forms/formn-csr.pdf

Further Information

If you have any queries on Vanguard ETFs, please visit vanguard.com.au/etf

© 2018 Vanguard Investments Australia Ltd (ABN 72 072 881 086 / AFS Licence 227263) (**Vanguard**) is the issuer of the Prospectus on behalf of the US listed ETFs described in the Prospectus. Vanguard has arranged for the interests in the US ETFs to be made available to Australian investors via CHESS Depository Interests that are quoted on the AQUA market of the ASX. Vanguard is a wholly owned subsidiary of The Vanguard Group, Inc. based in the US. All rights reserved.

Vanguard Investments Australia Ltd, Level 34, Freshwater Place, 2 Southbank Boulevard, Southbank VIC 3006 vanguard.com.au 1300 655 888

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT
OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: **811-05972**

Name of Registrant: **Vanguard International Equity Index Funds**

Address of Registrant: **P.O. Box 2600
Valley Forge, PA 19482**

Name and address of agent for service: **Anne E. Robinson, Esquire
P.O. Box 876
Valley Forge, PA 19482**

Registrant's telephone number, including area code: **(610) 669-1000**

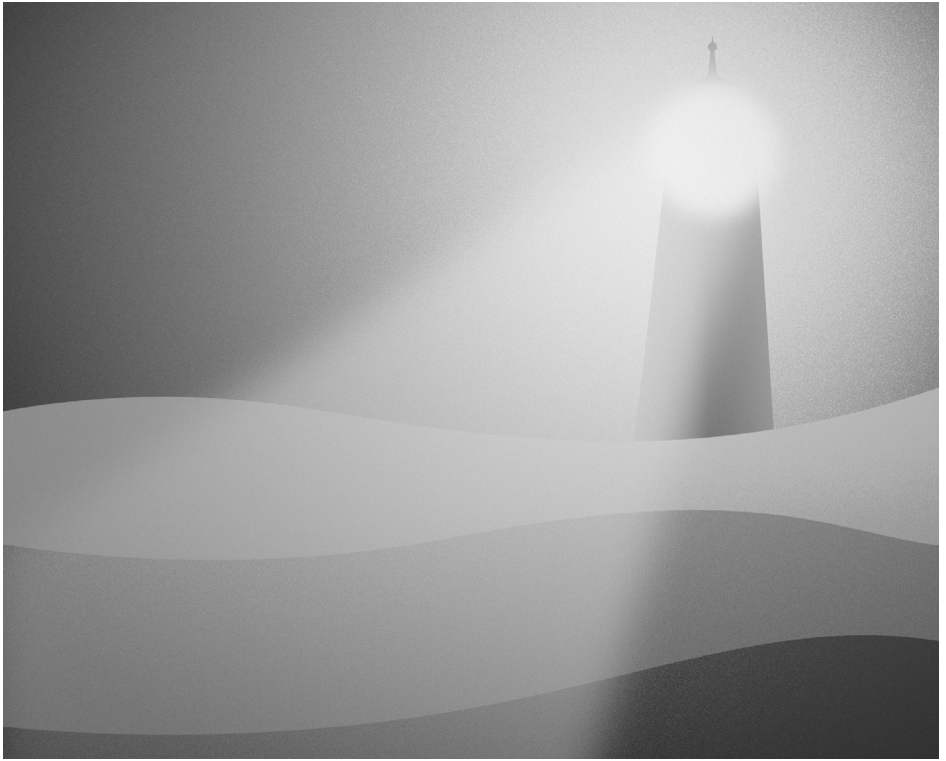
Date of fiscal year end: October 31

Date of reporting period: November 1, 2017—April 30, 2018

Item 1: Reports to Shareholders



Vanguard[®]



Semiannual Report | April 30, 2018

Vanguard FTSE International Index Funds

Vanguard FTSE All-World ex-US Index Fund

Vanguard FTSE All-World ex-US Small-Cap Index 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.

About the cover: Nautical images have been part of Vanguard's rich heritage since its start in 1975. For an incoming ship, a lighthouse offers a beacon and safe path to shore. You can similarly depend on Vanguard to put you first—and light the way—as you strive to meet your financial goals. Our client focus and low costs, stemming from our unique ownership structure, assure that your interests are paramount.

Your Fund's Performance at a Glance

- Global stocks hit record highs early in the six months ended April 30, 2018. Market sentiment turned sharply in February, however, and volatility spiked amid concerns about a tightening labor market, inflation risk, and tariffs. Small-capitalization stocks outperformed large-caps.
- For the period, Vanguard FTSE All-World ex-US Index Fund returned 3.00% and Vanguard FTSE All-World ex-US Small-Cap Index Fund returned 4.34%. (Returns are for Investor Shares.)
- Each fund trailed its benchmark index, largely because of fair-value pricing adjustments (for more on fair-value pricing, see the Glossary). The FTSE All-World ex-US Index Fund's return was slightly higher than its peer-group average and the FTSE All-World ex-US Small-Cap Index Fund's return was slightly lower.
- Pacific markets contributed most to returns for both funds. Financial-sector stocks added most to the FTSE All-World ex-US Index Fund's return; health care stocks contributed most to the small-cap fund.

Total Returns: Six Months Ended April 30, 2018

	Total Returns
Vanguard FTSE All-World ex-US Index Fund	
Investor Shares	3.00%
ETF Shares	
Market Price	2.91
Net Asset Value	3.05
Admiral™ Shares	3.07
Institutional Shares	3.07
Institutional Plus Shares	3.08
FTSE All-World ex US Index	3.72
International Funds Average	2.70

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

	Total Returns
Vanguard FTSE All-World ex-US Small-Cap Index Fund	
Investor Shares	4.34%
ETF Shares	
Market Price	4.38
Net Asset Value	4.39
Institutional Shares	4.40
FTSE Global Small Cap ex US Index	4.79
International Small-Cap Funds Average	4.53

International Small-Cap Funds Average: Derived from data provided by Lipper, a Thomson Reuters Company.

Admiral Shares carry lower expenses and are available to investors who meet certain account-balance requirements. Institutional Shares and Institutional Plus Shares are available to certain institutional investors who meet specific administrative, service, and account-size criteria. The Vanguard ETF® Shares shown are traded on the NYSE Arca exchange and are available only through brokers. The table provides ETF returns based on both the NYSE Arca market price and the net asset value for a share. U.S. Pat. Nos. 6,879,964; 7,337,138; 7,720,749; 7,925,573; 8,090,646; and 8,417,623.

For the ETF Shares, the market price is determined by the midpoint of the bid-offer spread as of the closing time of the New York Stock Exchange (generally 4 p.m., Eastern time). The net asset value is also determined as of the NYSE closing time. For more information about how the ETF Shares' market prices have compared with their net asset value, visit vanguard.com, select your ETF, and then select the Price and Performance tab. The ETF premium/discount analysis there shows the percentages of days on which the ETF Shares' market price was above or below the NAV.

Expense Ratios

Your Fund Compared With Its Peer Group

	Investor Shares	ETF Shares	Admiral Shares	Institutional Shares	Institutional Plus Shares	Peer Group Average
FTSE All-World ex-US Index Fund	0.23%	0.11%	0.11%	0.10%	0.07%	1.31%
FTSE All-World ex-US Small-Cap Index Fund	0.25	0.13	—	0.12	—	1.52

The fund expense ratios shown are from the prospectus dated February 23, 2018, and represent estimated costs for the current fiscal year. For the six months ended April 30, 2018, the funds' annualized expense ratios were: for the FTSE All-World ex-US Index Fund, 0.23% for Investor Shares, 0.11% for ETF Shares, 0.11% for Admiral Shares, 0.10% for Institutional Shares, and 0.07% for Institutional Plus Shares; and for the FTSE All-World ex-US Small-Cap Index Fund, 0.25% for Investor Shares, 0.13% for ETF Shares, and 0.12% for Institutional Shares. The peer-group expense ratios are derived from data provided by Lipper, a Thomson Reuters Company, and capture information through year-end 2017.

Peer groups: For the FTSE All-World ex-US Index Fund, International Funds; and for the FTSE All-World ex-US Small-Cap Index Fund, International Small-Cap Funds.

CEO's Perspective



Tim Buckley
President and Chief Executive Officer

Dear Shareholder,

I feel extremely fortunate to have the chance to lead a company filled with people who come to work every day passionate about Vanguard's core purpose: to take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

When I joined Vanguard in 1991, I found a mission-driven team focused on improving lives—helping people retire more comfortably, put their children through college, and achieve financial security. I also found a company with purpose in an industry ripe for improvement.

It was clear, even early in my career, that the cards were stacked against most investors. Hidden fees, performance-chasing, and poor advice were relentlessly eroding investors' dreams.

We knew Vanguard could be different and, as a result, could make a real difference. We have lowered the costs of investing for our shareholders significantly. And we're proud of the performance of our funds.

Vanguard is built for Vanguard investors—we focus solely on you, our fund shareholders. Everything we do is designed to give our clients the best chance for investment success. In my role as CEO, I'll keep this priority

front and center. We're proud of what we've achieved, but we're even more excited about what's to come.

Steady, time-tested guidance

Our guidance for investors, as always, is to stay the course, tune out the hyperbolic headlines, and focus on your goals and what you can control, such as costs and how much you save. This time-tested advice has served our clients well over the decades.

Regardless of how the markets perform in the short term, I'm incredibly optimistic about the future for our investors. We have a dedicated team serving you, and we will never stop striving to make

Vanguard the best place for you to invest through our high-quality funds and services, advice and guidance to help you meet your financial goals, and an experience that makes you feel good about entrusting us with your hard-earned savings.

Thank you for your continued loyalty.

Sincerely,



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

Market Barometer

	Total Returns Periods Ended April 30, 2018		
	Six Months	One Year	Five Years (Annualized)
Stocks			
Russell 1000 Index (Large-caps)	3.83%	13.17%	12.84%
Russell 2000 Index (Small-caps)	3.27	11.54	11.74
Russell 3000 Index (Broad U.S. market)	3.79	13.05	12.75
FTSE All-World ex US Index (International)	3.72	15.84	5.85
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	-1.87%	-0.32%	1.47%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	-0.97	1.56	2.44
Citigroup Three-Month U.S. Treasury Bill Index	0.67	1.16	0.32
CPI			
Consumer Price Index	1.57%	2.46%	1.50%

Results of Proxy Voting

At a special meeting of shareholders on November 15, 2017, fund shareholders approved the following proposals:

Proposal 1—Elect trustees for the fund.*

The individuals listed in the table below were elected as trustees for the fund. All trustees with the exception of Ms. Mulligan, Ms. Raskin, and Mr. Buckley (each of whom already serves as a director of The Vanguard Group, Inc.) served as trustees to the funds prior to the shareholder meeting.

Trustee	For	Withheld	Percentage For
Mortimer J. Buckley	2,339,442,601	69,365,078	97.1%
Emerson U. Fullwood	2,338,836,617	69,971,063	97.1%
Amy Gutmann	2,339,842,903	68,964,776	97.1%
JoAnn Heffernan Heisen	2,332,323,293	76,484,386	96.8%
F. Joseph Loughrey	2,331,093,587	77,714,092	96.8%
Mark Loughridge	2,331,742,523	77,065,156	96.8%
Scott C. Malpass	2,339,621,962	69,185,717	97.1%
F. William McNabb III	2,335,834,840	72,972,840	97.0%
Deanna Mulligan	2,342,264,462	66,543,217	97.2%
André F. Perold	2,331,307,170	77,500,510	96.8%
Sarah Bloom Raskin	2,341,521,293	67,286,386	97.2%
Peter F. Volanakis	2,331,354,993	77,452,686	96.8%

* Results are for all funds within the same trust.

Proposal 2—Approve a manager-of-managers arrangement with third-party investment advisors.

This arrangement enables the fund to enter into and materially amend investment advisory arrangements with third-party investment advisors, subject to the approval of the fund's board of trustees and certain conditions imposed by the Securities and Exchange Commission, while avoiding the costs and delays associated with obtaining future shareholder approval.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
FTSE All-World ex-US Index Fund	344,154,199	9,683,430	9,421,357	78,763,299	77.9%
FTSE All-World ex-US Small-Cap Index Fund	29,775,231	1,311,535	1,223,923	7,434,729	74.9%

Proposal 3—Approve a manager-of-managers arrangement with wholly owned subsidiaries of Vanguard.

This arrangement enables Vanguard or the fund to enter into and materially amend investment advisory arrangements with wholly owned subsidiaries of Vanguard, subject to the approval of the fund's board of trustees and any conditions imposed by the Securities and Exchange Commission (SEC), while avoiding the costs and delays associated with obtaining future shareholder approval. The ability of the fund to operate in this manner is contingent upon the SEC's approval of a pending application for an order of exemption.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
FTSE All-World ex-US Index Fund	345,664,302	9,508,916	8,085,768	78,763,299	78.2%
FTSE All-World ex-US Small-Cap Index Fund	30,121,074	1,223,924	965,691	7,434,729	75.8%

Shareholders of Vanguard FTSE All-World ex-US Index Fund did not approve the following proposal:

Proposal 7—Institute transparent procedures to avoid holding investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights. Such procedures may include time-limited engagement with problem companies if management believes that their behavior can be changed.

The trustees recommended a vote against the proposal for the following reasons: (1) Vanguard is fully compliant with all applicable U.S. laws and regulations that prohibit the investment in any company owned or controlled by the government of Sudan; (2) the addition of further investment constraints is not in fund shareholders' best interests if those constraints are unrelated to a fund's stated investment objective, policies, and strategies; and (3) divestment is an ineffective means to implement social change, as it often puts the shares into the hands of another owner with no direct impact to the company's capitalization.

Vanguard Fund	For	Abstain	Against	Broker Non-Votes	Percentage For
FTSE All-World ex-US Index Fund	42,438,651	21,128,738	299,691,596	78,763,299	9.6%

FTSE All-World ex-US Index Fund

Fund Profile

As of April 30, 2018

Share-Class Characteristics

	Investor Shares	ETF Shares	Admiral Shares	Institutional Shares	Institutional Plus Shares
Ticker Symbol	VFWIX	VEU	VFWAX	VFWSX	VFWPX
Expense Ratio ¹	0.23%	0.11%	0.11%	0.10%	0.07%

Portfolio Characteristics

	Fund	FTSE All-World ex US Index
Number of Stocks	2,708	2,562
Median Market Cap	\$33.0B	\$33.4B
Price/Earnings Ratio	14.5x	14.3x
Price/Book Ratio	1.7x	1.7x
Return on Equity	12.3%	12.3%
Earnings Growth Rate	9.2%	9.7%
Dividend Yield	2.8%	2.8%
Turnover Rate (Annualized)	5%	—
Short-Term Reserves	-0.3%	—

Sector Diversification (% of equity exposure)

	Fund	FTSE All-World ex US Index
Basic Materials	7.3%	7.3%
Consumer Goods	16.3	16.3
Consumer Services	8.5	8.5
Financials	26.0	26.1
Health Care	7.6	7.6
Industrials	13.8	13.8
Oil & Gas	6.9	6.8
Technology	6.6	6.6
Telecommunications	3.8	3.8
Utilities	3.2	3.2

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.

Volatility Measures

	FTSE All-World ex US Index
R-Squared	0.98
Beta	0.94

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

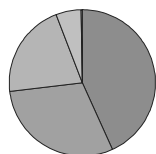
Ten Largest Holdings (% of total net assets)

Royal Dutch Shell plc	Integrated Oil & Gas	1.3%
Tencent Holdings Ltd.	Internet	1.2
Samsung Electronics Co. Ltd.	Consumer Electronics	1.2
Nestle SA	Food Products	1.1
HSBC Holdings plc	Banks	0.9
Taiwan Semiconductor Manufacturing Co. Ltd.	Semiconductors	0.8
Toyota Motor Corp.	Automobiles	0.8
Novartis AG	Pharmaceuticals	0.7
Roche Holding AG	Pharmaceuticals	0.7
Unilever	Personal Products	0.7
Top Ten		9.4%

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

¹ The expense ratios shown are from the prospectus dated February 23, 2018, and represent estimated costs for the current fiscal year. For the six months ended April 30, 2018, the annualized expense ratios were 0.23% for Investor Shares, 0.11% for ETF Shares, 0.11% for Admiral Shares, 0.10% for Institutional Shares, and 0.07% for Institutional Plus Shares.

Allocation by Region (% of equity exposure)



- 43.2% Europe
- 29.9% Pacific
- 21.0% Emerging Markets
- 5.6% North America
- 0.3% Middle East

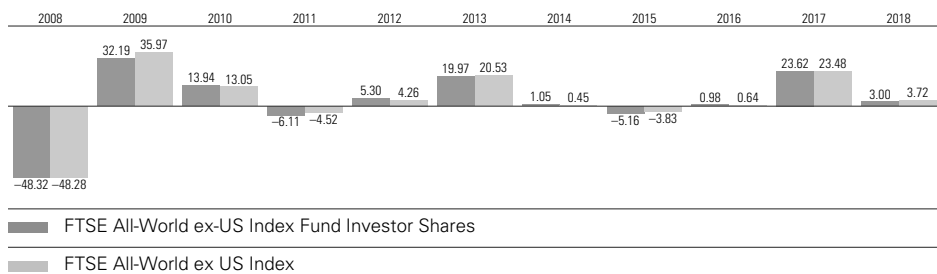
Market Diversification (% of equity exposure)

	Fund	FTSE All-World ex US Index
Europe		
United Kingdom	12.4%	12.4%
France	7.2	7.1
Germany	6.5	6.5
Switzerland	5.2	5.2
Netherlands	2.4	2.4
Spain	2.2	2.2
Italy	1.9	1.9
Sweden	1.8	1.8
Denmark	1.1	1.1
Other	2.5	2.5
Subtotal	43.2%	43.1%
Pacific		
Japan	17.7%	17.7%
Australia	4.7	4.7
South Korea	3.8	3.7
Hong Kong	2.7	2.7
Other	1.0	1.1
Subtotal	29.9%	29.9%
Emerging Markets		
China	7.0%	7.0%
Taiwan	2.6	2.7
India	2.4	2.4
Brazil	1.9	1.9
South Africa	1.8	1.8
Other	5.3	5.3
Subtotal	21.0%	21.1%
North America		
Canada	5.6%	5.6%
Middle East		
	0.3%	0.3%

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.) 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.

Fiscal-Year Total Returns (%): October 31, 2007, Through April 30, 2018



Note: For 2018, performance data reflect the six months ended April 30, 2018.

Index returns are adjusted for withholding taxes applicable to U.S.-based mutual funds organized as Delaware statutory trusts.

Average Annual Total Returns: Periods Ended March 31, 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	Ten Years
Investor Shares	3/8/2007	16.67%	6.18%	2.85%
ETF Shares	3/2/2007			
Market Price		16.88	6.35	2.97
Net Asset Value		16.78	6.33	3.00
Admiral Shares	9/27/2011	16.80	6.33	8.24 ¹
Institutional Shares	4/30/2007	16.79	6.34	3.04
Institutional Plus Shares	12/16/2010	16.83	6.37	5.20 ¹

¹ Return since inception.

See Financial Highlights for dividend and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets—Investments Summary

As of April 30, 2018

This Statement summarizes the fund's holdings by asset type. Details are reported for each of the fund's 50 largest individual holdings and for investments that, in total for any issuer, represent more than 1% of the fund's net assets. The total value of smaller holdings is reported as a single amount within each category.

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 complete listing of the fund's holdings is available electronically on vanguard.com and on the Securities and Exchange Commission's website (sec.gov), or you can have it mailed to you without charge by calling 800-662-7447. For the first and third fiscal quarters, the fund files the lists with the SEC on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)	Percentage of Net Assets
Common Stocks			
Australia			
Commonwealth Bank of Australia	3,004,116	161,756	0.4%
BHP Billiton Ltd.	5,511,125	128,571	0.3%
Westpac Banking Corp.	5,828,351	125,196	0.3%
Australia—Other †		1,375,089	3.6%
		1,790,612	4.6%
Austria †		67,795	0.2%
Belgium			
[^] Anheuser-Busch InBev SA/NV	1,303,345	129,467	0.3%
Belgium—Other †		158,255	0.4%
		287,722	0.7%
Brazil †		718,084	1.9%
Canada			
Royal Bank of Canada	2,502,728	190,324	0.5%
Toronto-Dominion Bank	3,188,417	179,070	0.5%
Bank of Nova Scotia	2,074,528	127,514	0.3%
¹ Canada—Other †		1,648,175	4.2%
		2,145,083	5.5%
Chile †		117,378	0.3%
China			
Tencent Holdings Ltd.	9,483,981	466,260	1.2%
[*] Alibaba Group Holding Ltd. ADR	1,385,728	247,408	0.7%
China Construction Bank Corp.	153,480,544	160,795	0.4%

FTSE All-World ex-US Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets
Industrial & Commercial Bank of China Ltd.	134,221,640	117,831	0.3%
China Mobile Ltd.	9,081,067	86,511	0.2%
Bank of China Ltd.	130,747,788	70,974	0.2%
CNOOC Ltd.	27,276,400	46,144	0.1%
China Petroleum & Chemical Corp.	43,823,284	42,678	0.1%
China Life Insurance Co. Ltd.	12,791,341	36,276	0.1%
PetroChina Co. Ltd.	35,731,234	26,329	0.1%
Agricultural Bank of China Ltd.	43,848,233	24,722	0.1%
China Overseas Land & Investment Ltd.	6,585,820	22,067	0.1%
China Resources Land Ltd.	4,597,214	17,266	0.1%
China Shenhua Energy Co. Ltd.	5,838,888	14,322	0.1%
PICC Property & Casualty Co. Ltd.	7,718,396	13,817	0.1%
CITIC Ltd.	8,375,275	12,772	0.1%
China Resources Beer Holdings Co. Ltd.	2,693,860	11,602	0.1%
China Telecom Corp. Ltd.	23,725,541	11,501	0.1%
China CITIC Bank Corp. Ltd.	14,201,362	10,152	0.0%
China Communications Construction Co. Ltd.	7,624,026	8,784	0.0%
China Taiping Insurance Holdings Co. Ltd.	2,497,164	8,351	0.0%
Sinopharm Group Co. Ltd.	1,754,103	7,397	0.0%
¹ People's Insurance Co. Group of China Ltd.	14,694,161	6,918	0.0%
¹ Postal Savings Bank of China Co. Ltd.	9,974,000	6,833	0.0%
China Everbright International Ltd.	4,528,967	6,353	0.0%
China Resources Power Holdings Co. Ltd.	3,240,409	6,215	0.0%
CRRC Corp. Ltd.	6,942,053	6,136	0.0%
China Cinda Asset Management Co. Ltd.	16,310,693	5,821	0.0%
¹ China Huarong Asset Management Co. Ltd.	16,603,874	5,719	0.0%
China Jinmao Holdings Group Ltd.	9,858,005	5,580	0.0%
Dongfeng Motor Group Co. Ltd.	4,916,627	5,437	0.0%
China Railway Group Ltd.	6,591,352	5,283	0.0%
¹ CGN Power Co. Ltd.	19,192,267	5,234	0.0%
China Resources Gas Group Ltd.	1,390,547	5,114	0.0%
China Merchants Port Holdings Co. Ltd.	2,152,031	4,808	0.0%
* Zhuzhou CRRC Times Electric Co. Ltd.	872,309	4,625	0.0%
¹ China Galaxy Securities Co. Ltd.	6,386,277	4,195	0.0%
Air China Ltd.	3,134,115	4,132	0.0%
Kunlun Energy Co. Ltd.	4,725,523	4,046	0.0%
Sinopec Shanghai Petrochemical Co. Ltd.	6,062,331	4,025	0.0%
* ¹ China Resources Pharmaceutical Group Ltd.	2,895,500	4,003	0.0%
Beijing Capital International Airport Co. Ltd.	2,916,557	3,972	0.0%
China State Construction International Holdings Ltd.	3,000,567	3,902	0.0%
Huaneng Renewables Corp. Ltd.	8,713,075	3,870	0.0%
China Railway Construction Corp. Ltd.	3,184,745	3,771	0.0%
China Southern Airlines Co. Ltd.	3,277,017	3,529	0.0%
China Resources Cement Holdings Ltd.	3,011,334	3,159	0.0%
China Oilfield Services Ltd.	3,130,300	3,123	0.0%
¹ China International Capital Corp. Ltd.	1,207,126	2,731	0.0%
China Everbright Bank Co. Ltd.	5,257,872	2,628	0.0%
¹ Sinopec Engineering Group Co. Ltd.	2,539,381	2,618	0.0%
AviChina Industry & Technology Co. Ltd.	4,135,954	2,608	0.0%
China Reinsurance Group Corp.	11,371,576	2,396	0.0%
[^] China Eastern Airlines Corp. Ltd.	2,649,145	2,188	0.0%
¹ China Railway Signal & Communication Corp. Ltd.	2,663,068	2,076	0.0%
* [^] ¹ China Literature Ltd.	256,400	2,065	0.0%

FTSE All-World ex-US Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets
Sinotrans Ltd.	3,559,860	2,040	0.0%
China Power International Development Ltd.	7,499,691	2,010	0.0%
^ Angang Steel Co. Ltd.	1,855,537	1,989	0.0%
China Agri-Industries Holdings Ltd.	4,107,447	1,724	0.0%
^ China Coal Energy Co. Ltd.	3,914,638	1,697	0.0%
Metallurgical Corp. of China Ltd.	4,915,562	1,570	0.0%
Chongqing Changan Automobile Co. Ltd. Class B	1,525,451	1,425	0.0%
Huadian Fuxin Energy Corp. Ltd.	4,384,005	1,244	0.0%
China Machinery Engineering Corp.	1,583,516	920	0.0%
China BlueChemical Ltd.	3,067,895	806	0.0%
Shanghai Baosight Software Co. Ltd. Class B	387,642	722	0.0%
China Foods Ltd.	1,206,843	554	0.0%
^ CSSC Offshore and Marine Engineering Group Co. Ltd.	410,873	534	0.0%
*^ Sinopec Oilfield Service Corp.	3,546,643	521	0.0%
^ CITIC Resources Holdings Ltd.	4,332,222	488	0.0%
China National Accord Medicines Corp. Ltd. Class B	95,230	398	0.0%
*^ Sinofer Holdings Ltd.	2,969,208	353	0.0%
1,2 China—Other †		1,049,671	2.7%
		2,677,738	6.9%
Colombia †		42,003	0.1%
1Czech Republic †		17,409	0.0%
Denmark			
Novo Nordisk A/S Class B	3,018,190	141,939	0.4%
1 Denmark—Other †		287,408	0.7%
		429,347	1.1%
Egypt †		18,035	0.1%
Finland †		277,374	0.7%
France			
TOTAL SA	3,873,319	243,447	0.6%
LVMH Moet Hennessy Louis Vuitton SE	426,842	148,548	0.4%
^ Sanofi	1,874,156	148,177	0.4%
BNP Paribas SA	1,852,761	143,033	0.4%
Airbus SE	937,808	110,084	0.3%
1 France—Other †		1,957,040	5.0%
		2,750,329	7.1%
Germany			
Allianz SE	750,494	177,512	0.5%
SAP SE	1,559,028	173,219	0.5%
Bayer AG	1,420,582	169,789	0.4%
Siemens AG	1,304,686	165,690	0.4%
BASF SE	1,570,483	163,400	0.4%
Daimler AG	1,654,033	130,038	0.3%
1 Germany—Other †		1,531,201	4.0%
		2,510,849	6.5%
Greece †		38,712	0.1%

FTSE All-World ex-US Index Fund

	Shares	Market Value* (\$'000)	Percentage of Net Assets
Hong Kong			
AlA Group Ltd.	20,745,852	185,410	0.5%
BOC Hong Kong Holdings Ltd.	6,162,196	31,856	0.1%
¹ BOC Aviation Ltd.	361,100	2,111	0.0%
Nexteer Automotive Group Ltd.	1,363,000	2,097	0.0%
China Travel International Investment Hong Kong Ltd.	4,239,542	1,581	0.0%
^{1,2} Hong Kong—Other †		803,346	2.1%
		1,026,401	2.7%
Hungary †			
		33,153	0.1%
India			
Nestle India Ltd.	39,520	5,558	0.0%
^{1,2} India—Other †		904,480	2.4%
		910,038	2.4%
Indonesia †			
		171,776	0.4%
²Ireland †			
		63,997	0.2%
Israel †			
		125,463	0.3%
Italy			
^{*,1} Pirelli & C SPA	632,271	5,478	0.0%
¹ Italy—Other †		734,918	1.9%
		740,396	1.9%
Japan			
Toyota Motor Corp.	4,441,791	291,259	0.7%
Mitsubishi UFJ Financial Group Inc.	22,065,459	147,868	0.4%
SoftBank Group Corp.	1,462,068	111,715	0.3%
Japan—Other †		6,264,632	16.2%
		6,815,474	17.6%
Luxembourg †			
		4,197	0.0%
Malaysia			
Nestle Malaysia Bhd.	105,200	3,695	0.0%
^{1,2} Malaysia—Other †		267,244	0.7%
		270,939	0.7%
²Malta †			
		—	0.0%
¹Mexico †			
		297,425	0.8%
Netherlands			
Unilever NV	2,596,583	148,860	0.4%
[^] ASML Holding NV	694,607	132,243	0.3%
ING Groep NV	6,672,078	112,429	0.3%
¹ Netherlands—Other †		543,201	1.4%
		936,733	2.4%
New Zealand †			
		55,448	0.1%

FTSE All-World ex-US Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets
Norway †		176,568	0.5%
Pakistan †		6,529	0.0%
Peru †		33,508	0.1%
Philippines †		109,024	0.3%
¹ Poland †		118,681	0.3%
Portugal †		41,118	0.1%
Qatar †		54,775	0.1%
Russia †		336,160	0.9%
Singapore †		364,699	0.9%
South Africa			
Naspers Ltd.	730,687	178,010	0.5%
¹ South Africa—Other †		499,171	1.3%
		677,181	1.8%
South Korea			
Samsung Electronics Co. Ltd. GDR	240,605	294,547	0.8%
Samsung Electronics Co. Ltd.	2,316,800	114,849	0.3%
Samsung Electronics Co. Ltd. Preference Shares	1,414,600	56,256	0.1%
^{1,2} South Korea—Other †		976,939	2.5%
		1,442,591	3.7%
Spain			
[^] Banco Santander SA	27,294,716	176,351	0.5%
¹ Spain—Other †		674,796	1.7%
		851,147	2.2%
Sweden †		675,346	1.8%
Switzerland			
Nestle SA	5,321,506	412,258	1.1%
Novartis AG	3,736,045	287,580	0.7%
Roche Holding AG	1,193,785	265,244	0.7%
Switzerland—Other †		1,026,470	2.7%
		1,991,552	5.2%
Taiwan			
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	5,970,490	229,565	0.6%
Taiwan—Other †		787,227	2.0%
		1,016,792	2.6%
Thailand †		302,042	0.8%
Turkey †		84,979	0.2%
United Arab Emirates †		72,945	0.2%

FTSE All-World ex-US Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets	
United Kingdom				
HSBC Holdings plc	34,434,779	342,834	0.9%	
Royal Dutch Shell plc Class A	7,921,620	275,605	0.7%	
BP plc	33,061,443	245,581	0.6%	
Royal Dutch Shell plc Class B	6,407,607	228,746	0.6%	
British American Tobacco plc	3,805,141	208,704	0.5%	
GlaxoSmithKline plc	8,294,045	166,356	0.4%	
AstraZeneca plc	2,173,722	152,167	0.4%	
Diageo plc	4,161,958	148,478	0.4%	
Vodafone Group plc	45,723,570	133,432	0.4%	
Prudential plc	4,438,484	114,132	0.3%	
Unilever plc	1,983,682	111,270	0.3%	
Rio Tinto plc	1,997,355	108,868	0.3%	
¹ United Kingdom—Other †		2,535,077	6.5%	
		4,771,250	12.3%	
Total Common Stocks (Cost \$31,987,304)		38,466,797	99.4%³	
Coupon				
Preferred Stocks (Cost \$415) †		403	0.0%	
Temporary Cash Investments				
Money Market Fund				
^{4,5} Vanguard Market Liquidity Fund	1.886%	11,235,612	1,123,561	2.9%
⁶ U.S. Government and Agency Obligations †		25,810	0.1%	
Total Temporary Cash Investments (Cost \$1,149,322)		1,149,371	3.0%³	
Total Investments (Cost \$33,137,041)		39,616,571	102.4%	
Amount (\$000)				
Other Assets and Liabilities				
Other Assets				
Investment in Vanguard		2,078		
Receivables for Accrued Income		177,264		
Receivables for Capital Shares Issued		9,400		
Variation Margin Receivable—Futures Contracts		361		
Unrealized Appreciation—Forward Currency Contracts		2,866		
Other Assets ⁷		67,884		
Total Other Assets		259,853	0.7%	
Liabilities				
Payables for Investment Securities Purchased		(77,479)		
Collateral for Securities on Loan		(1,080,406)		
Payables for Capital Shares Redeemed		(4,821)		
Payables to Vanguard		(13,163)		
Variation Margin Payable—Futures Contracts		(498)		
Unrealized Depreciation—Forward Currency Contracts		(9,473)		
Other Liabilities		(217)		
Total Liabilities		(1,186,057)	(3.1%)	
Net Assets		38,690,367	100.0%	

FTSE All-World ex-US Index Fund

At April 30, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	33,495,479
Undistributed Net Investment Income	132,547
Accumulated Net Realized Losses	(1,410,716)
Unrealized Appreciation (Depreciation)	
Investment Securities	6,479,530
Futures Contracts	3,866
Forward Currency Contracts	(6,607)
Foreign Currencies	(3,732)
Net Assets	38,690,367

Investor Shares—Net Assets

Applicable to 30,589,707 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	659,712
Net Asset Value Per Share—Investor Shares	\$21.57

ETF Shares—Net Assets

Applicable to 433,701,346 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	23,706,317
Net Asset Value Per Share—ETF Shares	\$54.66

Admiral Shares—Net Assets

Applicable to 178,227,642 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	6,055,449
Net Asset Value Per Share—Admiral Shares	\$33.98

Institutional Shares—Net Assets

Applicable to 48,620,990 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	5,236,885
Net Asset Value Per Share—Institutional Shares	\$107.71

Amount
(\$000)

Institutional Plus Shares—Net Assets

Applicable to 26,582,615 outstanding \$.001 par value shares of beneficial interest (unlimited authorization) 3,032,004

Net Asset Value Per Share— Institutional Plus Shares **\$114.06**

• See Note A in Notes to Financial Statements.

[^] Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$988,500,000.

* Non-income-producing security.

[†] Represents the aggregate value, by category, of securities that are not among the 50 largest holdings and, in total for any issuer, represent 1% or less of net assets.

¹ Certain of the fund's securities are 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 April 30, 2018, the aggregate value of these securities was \$386,239,000, representing 1.0% of net assets.

² Certain of the fund's securities are valued using significant unobservable inputs.

³ 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 100.0% and 2.4%, respectively, of net assets.

⁴ Includes \$1,080,406,000 of collateral received for securities on loan.

⁵ Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

⁶ Securities with a value of \$11,174,000 have been segregated as initial margin for open futures contracts.

⁷ Cash of \$7,156,000 has been segregated as collateral for open forward currency 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 Markets Index	June 2018	1,019	58,705	(1,729)
Dow Jones EURO STOXX 50 Index	June 2018	1,289	54,104	1,983
Topix Index	June 2018	259	42,119	2,106
FTSE 100 Index	June 2018	305	31,339	1,514
S&P ASX 200 Index	June 2018	142	15,987	(8)
				3,866

Unrealized appreciation (depreciation) on open futures contracts, except for Topix Index and S&P ASX 200 Index contracts, is required to be treated as realized gain (loss) for tax purposes.

Unrealized appreciation (depreciation) for Topix Index and S&P ASX 200 Index futures contracts is generally treated the same for financial reporting and tax purposes.

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation (Depreciation) (\$000)
			Receive		Deliver	
UBS AG	06/20/18	EUR	100,574	USD	125,198	(3,258)
Goldman Sachs International	06/12/18	JPY	8,260,839	USD	78,389	(2,595)
Barclays Bank plc	06/20/18	GBP	54,385	USD	76,134	(1,070)
Toronto-Dominion Bank	06/26/18	AUD	48,211	USD	38,020	(1,717)
Citibank, N.A.	06/12/18	JPY	1,304,695	USD	12,394	(423)
JPMorgan Chase Bank, N.A.	06/12/18	JPY	875,680	USD	8,308	(273)
Barclays Bank plc	06/20/18	EUR	3,412	USD	4,213	(76)
Barclays Bank plc	06/26/18	AUD	1,579	USD	1,218	(29)
Citibank, N.A.	06/20/18	USD	70,139	EUR	57,414	529
Citibank, N.A.	06/12/18	USD	52,880	JPY	5,766,940	(32)
Goldman Sachs International	06/20/18	USD	35,232	GBP	25,215	431
Barclays Bank plc	06/12/18	USD	23,643	JPY	2,514,482	572
BNP Paribas	06/26/18	USD	19,450	AUD	25,691	105
Goldman Sachs International	06/12/18	USD	18,373	JPY	1,951,667	466
Credit Suisse International	06/12/18	USD	18,338	JPY	1,951,667	431
UBS AG	06/20/18	USD	7,687	GBP	5,500	96
Bank of America, N.A.	06/20/18	USD	6,677	EUR	5,414	113
Bank of America, N.A.	06/20/18	USD	3,945	GBP	2,797	84
Bank of America, N.A.	06/26/18	USD	1,978	AUD	2,574	39
						(6,607)

AUD—Australian dollar.

EUR—Euro.

GBP—British pound.

JPY—Japanese yen.

USD—U.S. dollar.

Unrealized appreciation (depreciation) on open forward currency contracts is treated as realized gain (loss) for tax purposes.

At April 30, 2018, the counterparty had deposited in a segregated account cash of \$440,000 in connection with open forward currency contracts.

Statement of Operations

Six Months Ended
April 30, 2018
(\$000)

Investment Income	
Income	
Dividends—Unaffiliated Issuers ¹	501,735
Dividends—Affiliated Issuers	491
Interest—Unaffiliated Issuers	151
Interest—Affiliated Issuers	1,797
Securities Lending—Net	6,184
Total Income	510,358
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	1,687
Management and Administrative—Investor Shares	587
Management and Administrative—ETF Shares	8,921
Management and Administrative—Admiral Shares	2,170
Management and Administrative—Institutional Shares	1,996
Management and Administrative—Institutional Plus Shares	565
Marketing and Distribution—Investor Shares	67
Marketing and Distribution—ETF Shares	534
Marketing and Distribution—Admiral Shares	225
Marketing and Distribution—Institutional Shares	65
Marketing and Distribution—Institutional Plus Shares	14
Custodian Fees	3,098
Shareholders' Reports and Proxy—Investor Shares	11
Shareholders' Reports and Proxy—ETF Shares	363
Shareholders' Reports and Proxy—Admiral Shares	26
Shareholders' Reports and Proxy—Institutional Shares	18
Shareholders' Reports and Proxy—Institutional Plus Shares	12
Trustees' Fees and Expenses	12
Total Expenses	20,371
Net Investment Income	489,987
Realized Net Gain (Loss)	
Investment Securities Sold—Unaffiliated Issuers	(47,566)
Investment Securities Sold—Affiliated Issuers	22,118
Futures Contracts	2,465
Forward Currency Contracts	10,040
Foreign Currencies	564
Realized Net Gain (Loss)	(12,379)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities—Unaffiliated Issuers	650,561
Investment Securities—Affiliated Issuers	(14,257)
Futures Contracts	(6,441)
Forward Currency Contracts	(1,612)
Foreign Currencies	(2,186)
Change in Unrealized Appreciation (Depreciation)	626,065
Net Increase (Decrease) in Net Assets Resulting from Operations	1,103,673

¹ Dividends are net of foreign withholding taxes of \$50,851,000.

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

Statement of Changes in Net Assets

	Six Months Ended April 30, 2018	Year Ended October 31, 2017
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	489,987	842,085
Realized Net Gain (Loss)	(12,379)	(200,378)
Change in Unrealized Appreciation (Depreciation)	626,065	5,776,250
Net Increase (Decrease) in Net Assets Resulting from Operations	1,103,673	6,417,957
Distributions		
Net Investment Income		
Investor Shares	(6,934)	(15,595)
ETF Shares	(259,859)	(498,013)
Admiral Shares	(63,921)	(122,709)
Institutional Shares	(63,305)	(139,459)
Institutional Plus Shares	(31,883)	(67,584)
Realized Capital Gain		
Investor Shares	—	—
ETF Shares	—	—
Admiral Shares	—	—
Institutional Shares	—	—
Institutional Plus Shares	—	—
Total Distributions	(425,902)	(843,360)
Capital Share Transactions		
Investor Shares	14,192	(3,346)
ETF Shares	1,663,029	4,378,081
Admiral Shares	656,788	846,320
Institutional Shares	(396,936)	182,946
Institutional Plus Shares	234,655	67,822
Net Increase (Decrease) from Capital Share Transactions	2,171,728	5,471,823
Total Increase (Decrease)	2,849,499	11,046,420
Net Assets		
Beginning of Period	35,840,868	24,794,448
End of Period ¹	38,690,367	35,840,868

¹ Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$132,547,000 and \$67,906,000.

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2017	2016	2015	2014	2013	
Net Asset Value, Beginning of Period	\$21.17	\$17.59	\$17.92	\$19.40	\$19.81	\$17.03
Investment Operations						
Net Investment Income	.265 ¹	.520 ¹	.494	.502	.627 ²	.482
Net Realized and Unrealized Gain (Loss) on Investments	.366	3.573	(.341)	(1.484)	(.413)	2.850
Total from Investment Operations	.631	4.093	.153	(.982)	.214	3.332
Distributions						
Dividends from Net Investment Income	(.231)	(.513)	(.483)	(.498)	(.624)	(.552)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.231)	(.513)	(.483)	(.498)	(.624)	(.552)
Net Asset Value, End of Period	\$21.57	\$21.17	\$17.59	\$17.92	\$19.40	\$19.81
Total Return³	3.00%	23.62%	0.98%	-5.16%	1.05%	19.97%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$660	\$634	\$530	\$565	\$552	\$637
Ratio of Total Expenses to Average Net Assets	0.23%	0.23%	0.23%	0.26%	0.29%	0.30%
Ratio of Net Investment Income to Average Net Assets	2.40%	2.70%	2.89%	2.70%	3.18% ²	2.69%
Portfolio Turnover Rate ⁴	5%	4%	5%	3%	4%	8%

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

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.088 and 0.44%, respectively, resulting from income received from Vodafone Group plc in the form of cash and shares in Verizon Communications Inc. in February 2014.

3 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.

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2018	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$53.65	\$44.60	\$45.41	\$49.17	\$50.20	\$43.21
Investment Operations						
Net Investment Income	.705 ¹	1.379 ¹	1.304	1.335	1.665 ²	1.295
Net Realized and Unrealized Gain (Loss) on Investments	.924	9.038	(.846)	(3.769)	(1.036)	7.204
Total from Investment Operations	1.629	10.417	.458	(2.434)	.629	8.499
Distributions						
Dividends from Net Investment Income	(.619)	(1.367)	(1.268)	(1.326)	(1.659)	(1.509)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.619)	(1.367)	(1.268)	(1.326)	(1.659)	(1.509)
Net Asset Value, End of Period	\$54.66	\$53.65	\$44.60	\$45.41	\$49.17	\$50.20
Total Return	3.05%	23.73%	1.17%	-5.05%	1.21%	20.12%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$23,706	\$21,640	\$13,983	\$13,525	\$12,453	\$11,102
Ratio of Total Expenses to Average Net Assets	0.11%	0.11%	0.11%	0.13%	0.14%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.52%	2.82%	3.01%	2.83%	3.33% ²	2.84%
Portfolio Turnover Rate ³	5%	4%	5%	3%	4%	8%

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

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.224 and 0.44%, respectively, resulting from income received from Vodafone Group plc in the form of cash and shares in Verizon Communications Inc. in February 2014.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Admiral Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2018	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$33.35	\$27.72	\$28.23	\$30.57	\$31.21	\$26.86
Investment Operations						
Net Investment Income	.443 ¹	.855 ¹	.811	.832	1.037 ²	.805
Net Realized and Unrealized Gain (Loss) on Investments	.572	5.625	(.532)	(2.346)	(.644)	4.487
Total from Investment Operations	1.015	6.480	.279	(1.514)	.393	5.292
Distributions						
Dividends from Net Investment Income	(.385)	(.850)	(.789)	(.826)	(1.033)	(.942)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.385)	(.850)	(.789)	(.826)	(1.033)	(.942)
Net Asset Value, End of Period	\$33.98	\$33.35	\$27.72	\$28.23	\$30.57	\$31.21
Total Return³	3.07%	23.75%	1.13%	-5.05%	1.23%	20.14%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$6,055	\$5,304	\$3,635	\$3,163	\$2,551	\$1,909
Ratio of Total Expenses to Average Net Assets	0.11%	0.11%	0.11%	0.13%	0.14%	0.15%
Ratio of Net Investment Income to Average Net Assets	2.52%	2.82%	3.01%	2.83%	3.33% ²	2.84%
Portfolio Turnover Rate ⁴	5%	4%	5%	3%	4%	8%

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

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.139 and 0.44%, respectively, resulting from income received from Vodafone Group plc in the form of cash and shares in Verizon Communications Inc. in February 2014.

3 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.

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2018	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$105.72	\$87.88	\$89.48	\$96.89	\$98.93	\$85.14
Investment Operations						
Net Investment Income	1.369 ¹	2.703 ¹	2.577	2.651	3.299 ²	2.577
Net Realized and Unrealized Gain (Loss) on Investments	1.846	17.838	(1.669)	(7.429)	(2.049)	14.215
Total from Investment Operations	3.215	20.541	.908	(4.778)	1.250	16.792
Distributions						
Dividends from Net Investment Income	(1.225)	(2.701)	(2.508)	(2.632)	(3.290)	(3.002)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.225)	(2.701)	(2.508)	(2.632)	(3.290)	(3.002)
Net Asset Value, End of Period	\$107.71	\$105.72	\$87.88	\$89.48	\$96.89	\$98.93
Total Return	3.07%	23.74%	1.15%	-5.03%	1.23%	20.16%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$5,237	\$5,532	\$4,424	\$4,501	\$4,713	\$4,687
Ratio of Total Expenses to Average Net Assets	0.10%	0.10%	0.10%	0.11%	0.12%	0.12%
Ratio of Net Investment Income to Average Net Assets	2.53%	2.83%	3.02%	2.85%	3.35% ²	2.87%
Portfolio Turnover Rate ³	5%	4%	5%	3%	4%	8%

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

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.441 and 0.44%, respectively, resulting from income received from Vodafone Group plc in the form of cash and shares in Verizon Communications Inc. in February 2014.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Plus Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2018	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$111.96	\$93.06	\$94.75	\$102.60	\$104.76	\$90.17
Investment Operations						
Net Investment Income	1.526 ¹	2.863 ¹	2.754	2.829	3.517 ²	2.749
Net Realized and Unrealized Gain (Loss) on Investments	1.890	18.928	(1.767)	(7.869)	(2.169)	15.050
Total from Investment Operations	3.416	21.791	.987	(5.040)	1.348	17.799
Distributions						
Dividends from Net Investment Income	(1.316)	(2.891)	(2.677)	(2.810)	(3.508)	(3.209)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(1.316)	(2.891)	(2.677)	(2.810)	(3.508)	(3.209)
Net Asset Value, End of Period	\$114.06	\$111.96	\$93.06	\$94.75	\$102.60	\$104.76
Total Return	3.08%	23.79%	1.18%	-5.01%	1.25%	20.18%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$3,032	\$2,731	\$2,222	\$2,628	\$2,122	\$1,671
Ratio of Total Expenses to Average Net Assets	0.07%	0.07%	0.07%	0.09%	0.10%	0.10%
Ratio of Net Investment Income to Average Net Assets	2.56%	2.86%	3.05%	2.87%	3.37% ²	2.89%
Portfolio Turnover Rate ³	5%	4%	5%	3%	4%	8%

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

1 Calculated based on average shares outstanding.

2 Net investment income per share and the ratio of net investment income to average net assets include \$.467 and 0.44%, respectively, resulting from income received from Vodafone Group plc in the form of cash and shares in Verizon Communications Inc. in February 2014.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Notes to Financial Statements

Vanguard FTSE All-World ex-US Index 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. The fund offers five classes of shares: Investor Shares, ETF Shares, Admiral Shares, Institutional Shares, and Institutional Plus Shares. Investor Shares are available to any investor who meets the fund's minimum purchase requirements. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker. Admiral Shares, Institutional Shares, and Institutional Plus Shares are designed for investors who meet certain administrative, service, and account-size criteria.

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 and Forward Currency Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. 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.

The fund also enters into forward currency contracts to provide the appropriate currency exposure related to any open futures contracts. The fund's risks in using these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the ability of the counterparties to fulfill their obligations under the contracts. The fund mitigates its counterparty risk by entering into forward currency contracts only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. The master netting arrangements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate the forward currency contracts, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting arrangements. The forward currency contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any assets pledged as collateral for open contracts are noted in the Statement of Net Assets. The value of collateral received or pledged is compared daily to the value of the forward currency contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

Futures contracts are valued at their quoted daily settlement prices. Forward currency contracts are valued at their quoted daily prices obtained from an independent third party, adjusted for currency risk based on the expiration date of each contract. 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 Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures or forward currency contracts.

During the six months ended April 30, 2018, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund's average investment in forward currency contracts represented 1% of net assets, 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, 2014–2017), and for the period ended April 30, 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.

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 Net Assets 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 April 30, 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.

Taxes on foreign dividends and capital gains have been provided for in accordance with the fund's understanding of the applicable countries' tax rules and rates. Foreign capital gains tax is accrued daily based upon net unrealized gains. The fund has filed tax reclaims for previously withheld taxes on dividends earned in certain European Union countries. These filings are subject to various administrative and judicial proceedings within these countries. Such tax reclaims received during the year, if any, are included in dividend income. No other amounts for additional tax reclaims are reflected in the financial statements due to the uncertainty as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment.

Each class of shares has equal rights as to assets and earnings, except that each class separately bears certain class-specific expenses related to maintenance of shareholder accounts (included in Management and Administrative expenses), shareholder reporting, and the proxy. Marketing and distribution expenses are allocated to each class of shares based on a method approved by the board of trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. 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 Net Assets. 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 April 30, 2018, the fund had contributed to Vanguard capital in the amount of \$2,078,000, representing 0.01% of the fund's net assets and 0.83% of Vanguard's capitalization. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. 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 April 30, 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	3,350,892	2,589	—
Common Stocks—Other	973,964	34,129,502	9,850
Preferred Stocks	—	403	—
Temporary Cash Investments	1,123,561	25,810	—
Futures Contracts—Assets ¹	361	—	—
Futures Contracts—Liabilities ¹	(498)	—	—
Forward Currency Contracts—Assets	—	2,866	—
Forward Currency Contracts—Liabilities	—	(9,473)	—
Total	5,448,280	34,151,697	9,850

¹ 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 \$379,955,000 based on Level 2 inputs were transferred from Level 1 during the fiscal period. Additionally, based on values on the date of transfer, securities valued at \$435,320,000 based on Level 1 inputs were transferred from Level 2 during the fiscal period.

D. At April 30, 2018, the fair values of derivatives were reflected in the Statement of Net Assets as follows:

Statement of Net Assets Caption	Equity Contracts (\$000)	Foreign Exchange Contracts (\$000)	Total (\$000)
Variation Margin Receivable—Futures Contracts	361	—	361
Unrealized Appreciation—Forward Currency Contracts	—	2,866	2,866
Total Assets	361	2,866	3,227
Variation Margin Payable—Futures Contracts	(498)	—	(498)
Unrealized Depreciation—Forward Currency Contracts	—	(9,473)	(9,473)
Total Liabilities	(498)	(9,473)	(9,971)

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended April 30, 2018, were:

	Equity Contracts (\$000)	Foreign Exchange Contracts (\$000)	Total (\$000)
Realized Net Gain (Loss) on Derivatives			
Futures Contracts	2,465	—	2,465
Forward Currency Contracts	—	10,040	10,040
Realized Net Gain (Loss) on Derivatives	2,465	10,040	12,505
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Futures Contracts	(6,441)	—	(6,441)
Forward Currency Contracts	—	(1,612)	(1,612)
Change in Unrealized Appreciation (Depreciation) on Derivatives	(6,441)	(1,612)	(8,053)

E. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

During the six months ended April 30, 2018, the fund realized \$57,309,000 of net capital gains resulting from in-kind redemptions—in which shareholders exchanged fund shares for securities held by the fund rather than for cash. Because such gains are not taxable to the fund, and are not distributed to shareholders, they have been reclassified from accumulated net realized losses to paid-in capital.

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at October 31, 2017, the fund had available capital losses totaling \$1,341,435,000 to offset future net capital gains. Of this amount, \$111,790,000 is subject to expiration dates; \$32,560,000 may be used to offset future net capital gains through October 31, 2018, and \$79,230,000 through October 31, 2019. Capital losses of \$1,229,645,000 realized beginning in fiscal 2012 may be carried forward indefinitely under the Regulated Investment Company Modernization Act of 2010, but must be used before any expiring loss carryforwards. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending October 31, 2018; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

At April 30, 2018, the cost of investment securities for tax purposes was \$33,257,277,000. Net unrealized appreciation of investment securities for tax purposes was \$6,359,294,000, consisting of unrealized gains of \$8,613,169,000 on securities that had risen in value since their purchase and \$2,253,875,000 in unrealized losses on securities that had fallen in value since their purchase.

F. During the six months ended April 30, 2018, the fund purchased \$3,307,967,000 of investment securities and sold \$1,073,162,000 of investment securities, other than temporary cash investments. Purchases and sales include \$1,302,025,000 and \$116,988,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

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

	Six Months Ended April 30, 2018		Year Ended October 31, 2017	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	104,228	4,793	185,838	9,692
Issued in Lieu of Cash Distributions	6,685	316	15,098	790
Redeemed	(96,721)	(4,483)	(204,282)	(10,635)
Net Increase (Decrease)—Investor Shares	14,192	626	(3,346)	(153)
ETF Shares				
Issued	1,790,830	32,770	4,378,082	89,802
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(127,801)	(2,400)	(1)	—
Net Increase (Decrease)—ETF Shares	1,663,029	30,370	4,378,081	89,802
Admiral Shares				
Issued	986,844	28,841	1,555,409	51,640
Issued in Lieu of Cash Distributions	53,630	1,608	103,093	3,416
Redeemed	(383,686)	(11,250)	(812,182)	(27,172)
Net Increase (Decrease)—Admiral Shares	656,788	19,199	846,320	27,884
Institutional Shares				
Issued	586,177	5,383	1,033,029	10,732
Issued in Lieu of Cash Distributions	56,972	539	125,647	1,318
Redeemed	(1,040,085)	(9,627)	(975,730)	(10,071)
Net Increase (Decrease)—Institutional Shares	(396,936)	(3,705)	182,946	1,979
Institutional Plus Shares				
Issued	745,769	6,542	443,419	4,349
Issued in Lieu of Cash Distributions	26,848	240	57,531	572
Redeemed	(537,962)	(4,596)	(433,128)	(4,405)
Net Increase (Decrease)—Institutional Plus Shares	234,655	2,186	67,822	516

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

	Current Period Transactions							April 30, 2018 Market Value (\$000)
	Oct. 31, 2017 Market Value (\$000)	Purchases at Cost (\$000)	Proceeds from Securities Sold (\$000)	Realized Net Gain (Loss) (\$000)	Change in Unrealized App. (Dep.) Income (\$000)	Capital Gain Distributions Received (\$000)		
Vanguard FTSE Emerging Markets ETF	89,905	50,274	148,047	22,172	(14,304)	491	—	—
Vanguard Market Liquidity Fund	519,427	NA ¹	NA ¹	(54)	47	1,797	—	1,123,561
Total	609,332	50,274	148,047	22,118	(14,257)	2,288	—	1,123,561

¹ Not applicable—purchases and sales are for temporary cash investment purposes.

I. Management has determined that no material events or transactions occurred subsequent to April 30, 2018, that would require recognition or disclosure in these financial statements.

FTSE All-World ex-US Small-Cap Index Fund

Fund Profile

As of April 30, 2018

Share-Class Characteristics

	Investor Shares	ETF Shares	Institutional Shares
Ticker Symbol	VFSVX	VSS	VFSNX
Expense Ratio ¹	0.25%	0.13%	0.12%

Portfolio Characteristics

	Fund	FTSE Global Small Cap ex US Index
Number of Stocks	3,601	3,419
Median Market Cap	\$1.8B	\$1.8B
Price/Earnings Ratio	15.8x	15.8x
Price/Book Ratio	1.6x	1.6x
Return on Equity	10.1%	10.1%
Earnings Growth Rate	12.4%	12.5%
Dividend Yield	2.3%	2.3%
Turnover Rate (Annualized)	11%	—
Short-Term Reserves	-0.4%	—

Sector Diversification (% of equity exposure)

	Fund	FTSE Global Small Cap ex US Index
Basic Materials	9.4%	9.4%
Consumer Goods	11.2	11.2
Consumer Services	11.7	11.7
Financials	20.7	20.5
Health Care	7.1	7.1
Industrials	23.8	23.9
Oil & Gas	4.3	4.3
Technology	8.6	8.7
Telecommunications	0.9	0.9
Utilities	2.3	2.3

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.

Volatility Measures

	FTSE Global Small Cap ex US Index
R-Squared	0.98
Beta	0.95

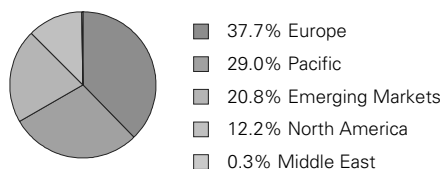
These measures show the degree and timing of the fund's fluctuations compared with the index over 36 months.

Ten Largest Holdings (% of total net assets)

First Quantum Minerals Ltd.	Nonferrous Metals	0.4%
Open Text Corp.	Software	0.3
Onex Corp.	Diversified Industrials	0.3
Yageo Corp.	Electrical Components & Equipment	0.3
CCL Industries Inc.	Containers & Packaging	0.3
GVC Holdings plc	Gambling	0.2
Bombardier Inc.	Aerospace	0.2
Gildan Activewear Inc.	Clothing & Accessories	0.2
a2 Milk Co. Ltd.	Biotechnology	0.2
Scout24 AG	Internet	0.2
Top Ten		2.6%

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

Allocation by Region (% of equity exposure)



¹ The expense ratios shown are from the prospectus dated February 23, 2018, and represent estimated costs for the current fiscal year. For the six months ended April 30, 2018, the annualized expense ratios were 0.25% for Investor Shares, 0.13% for ETF Shares, and 0.12% for Institutional Shares.

Market Diversification (% of equity exposure)

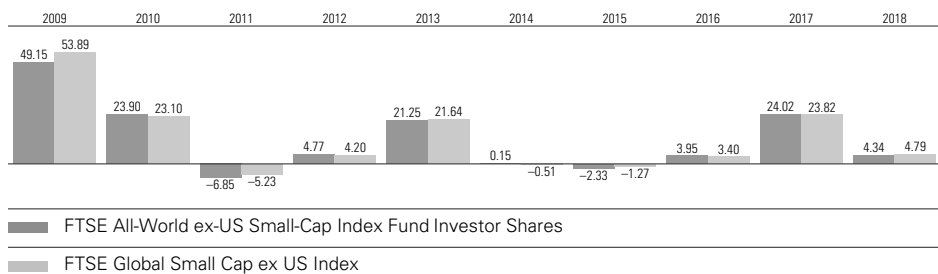
FTSE Global
Small Cap
Fund ex US Index

	FTSE Global Small Cap Fund ex US Index	FTSE Global Small Cap Fund ex US Index
Europe		
United Kingdom	12.2%	12.2%
Germany	4.3	4.3
Sweden	3.6	3.7
Switzerland	2.8	2.8
Italy	2.5	2.5
France	2.2	2.2
Norway	1.7	1.7
Netherlands	1.6	1.6
Spain	1.6	1.6
Denmark	1.2	1.2
Belgium	1.2	1.2
Finland	1.1	1.1
Other	1.7	1.6
Subtotal	37.7%	37.7%
Pacific		
Japan	15.9%	15.9%
South Korea	4.9	4.9
Australia	4.5	4.5
Hong Kong	1.7	1.7
Singapore	1.2	1.2
Other	0.8	0.8
Subtotal	29.0%	29.0%
Emerging Markets		
Taiwan	6.8%	6.8%
China	3.7	3.7
India	3.3	3.4
Thailand	1.6	1.6
Malaysia	1.1	1.0
Brazil	1.0	1.0
Other	3.3	3.3
Subtotal	20.8%	20.8%
North America		
Canada	12.2%	12.2%
Middle East		
	0.3%	0.3%

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.) 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.

Fiscal-Year Total Returns (%): April 2, 2009, Through April 30, 2018



Note: For 2018, performance data reflect the six months ended April 30, 2018.

Index returns are adjusted for withholding taxes applicable to U.S.-based mutual funds organized as Delaware statutory trusts.

Average Annual Total Returns: Periods Ended March 31, 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
Investor Shares	4/2/2009	19.48%	7.61%	12.40%
ETF Shares	4/2/2009			
Market Price		19.57	7.73	12.65
Net Asset Value		19.60	7.78	12.61
Institutional Shares	4/2/2009	19.61	7.79	12.63

See Financial Highlights for dividend and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets—Investments Summary

As of April 30, 2018

This Statement summarizes the fund's holdings by asset type. Details are reported for each of the fund's 50 largest individual holdings and for investments that, in total for any issuer, represent more than 1% of the fund's net assets. The total value of smaller holdings is reported as a single amount within each category.

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 complete listing of the fund's holdings is available electronically on vanguard.com and on the Securities and Exchange Commission's website (sec.gov), or you can have it mailed to you without charge by calling 800-662-7447. For the first and third fiscal quarters, the fund files the lists with the SEC on Form N-Q. Shareholders can look up the fund's Forms N-Q on the SEC's website. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)	Percentage of Net Assets
Common Stocks			
^{1,2} Australia †		275,446	4.5%
¹ Austria †		55,745	0.9%
Belgium †		73,015	1.2%
Brazil †		59,960	1.0%
Canada			
First Quantum Minerals Ltd.	1,562,807	22,518	0.4%
Open Text Corp.	584,434	20,634	0.3%
Onex Corp.	231,690	17,161	0.3%
CCL Industries Inc. Class B	318,376	15,443	0.2%
* Bombardier Inc. Class B	4,940,909	15,277	0.2%
Gildan Activewear Inc.	494,235	14,396	0.2%
Keyera Corp.	467,964	12,600	0.2%
West Fraser Timber Co. Ltd.	171,519	11,618	0.2%
WSP Global Inc.	234,474	11,609	0.2%
Methanex Corp.	192,461	11,601	0.2%
CAE Inc.	610,480	11,540	0.2%
* Kinross Gold Corp.	2,828,949	10,950	0.2%
PrairieSky Royalty Ltd.	486,268	10,782	0.2%
H&R REIT	659,446	10,591	0.2%
Industrial Alliance Insurance & Financial Services Inc.	241,699	10,152	0.2%
* Seven Generations Energy Ltd. Class A	693,903	9,901	0.2%
Finning International Inc.	389,121	9,816	0.2%
Lundin Mining Corp.	1,442,458	9,549	0.2%
Cameco Corp.	898,756	9,464	0.1%
^ Algonquin Power & Utilities Corp.	954,535	9,293	0.1%
^ Canadian Apartment Properties REIT	311,047	8,973	0.1%

FTSE All-World ex-US Small-Cap Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets
* Stars Group Inc.	287,892	8,955	0.1%
¹ Canada—Other †		474,171	7.7%
		746,994	12.1%
Chile †		14,953	0.2%
China			
* BeiGene Ltd. ADR	70,716	11,992	0.2%
^{1,2} China—Other †		212,542	3.4%
		224,534	3.6%
Colombia †		3,476	0.1%
Czech Republic †		55	0.0%
Denmark			
GN Store Nord A/S	315,469	11,084	0.2%
^{1,2} Denmark—Other †		65,301	1.0%
		76,385	1.2%
¹ Egypt †		7,388	0.1%
Finland †		67,222	1.1%
France			
² Euronext NV	160,220	11,485	0.2%
² France—Other †		122,307	2.0%
		133,792	2.2%
Germany			
^{*,2} Scout24 AG	250,297	12,935	0.2%
Freenet AG	299,423	9,505	0.2%
² Germany—Other †		240,038	3.9%
		262,478	4.3%
¹ Greece †		7,593	0.1%
^{1,2} Hong Kong †		104,476	1.7%
Hungary †		672	0.0%
^{1,2} India †		199,555	3.2%
¹ Indonesia †		41,669	0.7%
Ireland †		16,849	0.3%
Israel †		20,344	0.3%
² Italy †		154,842	2.5%
Japan †		972,280	15.8%
² Malaysia †		65,335	1.1%

FTSE All-World ex-US Small-Cap Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets
² Mexico †		27,883	0.5%
^{1,2} Netherlands †		99,856	1.6%
New Zealand			
* a2 Milk Co. Ltd.	1,655,448	14,069	0.2%
New Zealand—Other †		36,004	0.6%
		50,073	0.8%
Norway			
Storebrand ASA	1,076,089	9,197	0.2%
² Norway—Other †		93,676	1.5%
		102,873	1.7%
Pakistan †		19,680	0.3%
² Philippines †		21,490	0.3%
Poland †		4,984	0.1%
Portugal †		24,508	0.4%
Qatar †		1,561	0.0%
² Russia †		3,941	0.1%
¹ Singapore †		74,237	1.2%
South Africa †		31,878	0.5%
^{1,2} South Korea †		300,504	4.9%
^{1,2} Spain †		99,088	1.6%
Sweden			
Castellum AB	612,739	9,905	0.2%
Elekta AB Class B	818,147	9,276	0.1%
Nibe Industrier AB Class B	876,017	8,926	0.1%
² Sweden—Other †		194,900	3.2%
		223,007	3.6%
Switzerland †			
² VAT Group AG	58,738	8,663	0.1%
^{1,2} Switzerland—Other †		165,680	2.7%
		174,343	2.8%
Taiwan			
Yageo Corp.	746,118	15,639	0.2%
Chailease Holding Co. Ltd.	2,679,214	9,776	0.2%
¹ Taiwan—Other †		390,302	6.3%
		415,717	6.7%
^{1,2} Thailand †		98,421	1.6%

FTSE All-World ex-US Small-Cap Index Fund

	Shares	Market Value* (\$000)	Percentage of Net Assets	
^{1,2} Turkey †		16,192	0.3%	
United Arab Emirates †		2,987	0.0%	
United Kingdom				
GVC Holdings plc	1,253,711	15,346	0.2%	
^ UBM plc	896,292	11,933	0.2%	
BBA Aviation plc	2,366,453	10,372	0.2%	
* Indivior plc	1,654,594	10,246	0.2%	
Spectris plc	274,196	10,117	0.2%	
* Tullow Oil plc	3,174,804	9,936	0.2%	
NEX Group plc	723,517	9,818	0.2%	
Beazley plc	1,193,513	9,694	0.2%	
Phoenix Group Holdings	890,612	9,621	0.2%	
Intermediate Capital Group plc	643,004	9,581	0.2%	
IG Group Holdings plc	832,285	9,504	0.1%	
* SSP Group plc	1,048,438	9,382	0.1%	
* Ocado Group plc	1,256,001	9,284	0.1%	
Man Group plc	3,696,412	9,181	0.1%	
Rotork plc	2,005,794	9,046	0.1%	
^{1,2} United Kingdom—Other †		592,652	9.6%	
		745,713	12.1%	
Total Common Stocks (Cost \$5,378,452)		6,123,994	99.3%³	
Coupon				
Temporary Cash Investments				
Money Market Fund				
^{4,5} Vanguard Market Liquidity Fund	1.886%	3,866,383	386,638	6.2%
⁶ U.S. Government and Agency Obligations †			17,627	0.3%
Total Temporary Cash Investments (Cost \$404,251)			404,265	6.5%³
Total Investments (Cost \$5,782,703)			6,528,259	105.8%
Other Assets and Liabilities				
Other Assets ⁷			38,870	0.6%
Liabilities ⁴			(399,446)	(6.4%)
			(360,576)	(5.8%)
Net Assets			6,167,683	100.0%

	Amount (\$000)
Statement of Assets and Liabilities	
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers	6,141,621
Affiliated Issuers	386,638
Total Investments in Securities	6,528,259
Investment in Vanguard	326
Receivables for Investment Securities Sold	179
Receivables for Accrued Income	21,409
Receivables for Capital Shares Issued	694
Variation Margin Receivable—Futures Contracts	63
Unrealized Appreciation—Forward Currency Contracts	2,963
Other Assets ⁷	13,236
Total Assets	6,567,129
Liabilities	
Payables for Investment Securities Purchased	1,786
Collateral for Securities on Loan	386,266
Payables for Capital Shares Redeemed	690
Payables to Vanguard	1,896
Variation Margin Payable—Futures Contracts	211
Unrealized Depreciation—Forward Currency Contracts	3,717
Other Liabilities	4,880
Total Liabilities	399,446
Net Assets	6,167,683

At April 30, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	5,581,976
Overdistributed Net Investment Income	(8,330)
Accumulated Net Realized Losses	(150,368)
Unrealized Appreciation (Depreciation)	
Investment Securities	745,556
Futures Contracts	(15)
Forward Currency Contracts	(754)
Foreign Currencies	(382)
Net Assets	6,167,683

Investor Shares—Net Assets

Applicable to 20,641,290 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	939,319
Net Asset Value Per Share—Investor Shares	\$45.51

ETF Shares—Net Assets

Applicable to 41,902,071 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	4,999,211
Net Asset Value Per Share—ETF Shares	\$119.31

Amount
(\$000)

Institutional Shares—Net Assets

Applicable to 1,005,144 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)	229,153
Net Asset Value Per Share—Institutional Shares	\$227.98

• 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 \$353,212,000.

† Represents the aggregate value, by category, of securities that are not among the 50 largest holdings and, in total for any issuer, represent 1% or less of net assets.

1 Certain of the fund's securities are valued using significant unobservable inputs.

2 Certain of the fund's securities are 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 April 30, 2018, the aggregate value of these securities was \$234,807,000, representing 3.8% of net assets.

3 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 100.0% and 5.8%, respectively, of net assets.

4 Includes \$386,266,000 of collateral received for securities on loan.

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

6 Securities with a value of \$3,297,000 have been segregated as initial margin for open futures contracts.

7 Cash of \$2,420,000 has been segregated as collateral for open forward currency contracts.

ADR—American Depositary Receipt.

REIT—Real Estate Investment Trust.

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 Markets Index	June 2018	215	12,386	(478)
Dow Jones EURO STOXX 50 Index	June 2018	277	11,627	536
E-mini Russell 2000 Index	June 2018	143	11,038	(393)
Topix Index	June 2018	63	10,245	320
				(15)

Unrealized appreciation (depreciation) on open futures contracts, except for Topix Index contracts, is required to be treated as realized gain (loss) for tax purposes. Unrealized appreciation (depreciation) for Topix Index futures contracts is generally treated the same for financial reporting and tax purposes.

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation (Depreciation) (\$000)
			Receive	Deliver		
BNP Paribas	06/20/18	EUR	43,102	USD	53,729	(1,471)
BNP Paribas	06/12/18	JPY	4,749,250	USD	44,979	(1,404)
UBS AG	06/20/18	EUR	12,471	USD	15,525	(404)
Goldman Sachs International	06/12/18	JPY	1,114,960	USD	10,580	(350)
JPMorgan Chase Bank, N.A.	06/12/18	JPY	391,935	USD	3,685	(88)
JPMorgan Chase Bank, N.A.	06/20/18	USD	56,424	EUR	45,612	1,122
Morgan Stanley Capital Services LLC	06/12/18	USD	44,730	JPY	4,719,000	1,433
Barclays Bank plc	06/12/18	USD	6,402	JPY	672,857	229
JPMorgan Chase Bank, N.A.	06/12/18	USD	1,776	JPY	189,255	39
Goldman Sachs International	06/12/18	USD	1,663	JPY	176,667	42
Credit Suisse International	06/12/18	USD	1,660	JPY	176,667	39
Goldman Sachs International	06/20/18	USD	1,485	EUR	1,196	35
Bank of America, N.A	06/20/18	USD	1,182	EUR	955	24
						(754)

EUR—Euro.

JPY—Japanese yen.

USD—U.S. dollar.

Unrealized appreciation (depreciation) on open forward currency contracts is treated as realized gain (loss) for tax purposes.

At April 30, 2018, the counterparties had deposited in segregated accounts securities with a value of \$976,000 and cash of \$1,160,000 in connection with open forward currency contracts.

Statement of Operations

Six Months Ended
April 30, 2018

(\$000)

Investment Income	
Income	
Dividends ¹	63,695
Interest ²	314
Securities Lending—Net	7,127
Total Income	71,136
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	735
Management and Administrative—Investor Shares	766
Management and Administrative—ETF Shares	1,507
Management and Administrative—Institutional Shares	77
Marketing and Distribution—Investor Shares	78
Marketing and Distribution—ETF Shares	117
Marketing and Distribution—Institutional Shares	3
Custodian Fees	843
Shareholders' Reports and Proxy—Investor Shares	10
Shareholders' Reports and Proxy—ETF Shares	210
Shareholders' Reports and Proxy—Institutional Shares	—
Trustees' Fees and Expenses	2
Total Expenses	4,348
Net Investment Income	66,788
Realized Net Gain (Loss)	
Investment Securities Sold ²	97,387
Futures Contracts	504
Forward Currency Contracts	569
Foreign Currencies	338
Realized Net Gain (Loss)	98,798
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	80,976
Futures Contracts	(2,204)
Forward Currency Contracts	166
Foreign Currencies	(319)
Change in Unrealized Appreciation (Depreciation)	78,619
Net Increase (Decrease) in Net Assets Resulting from Operations	244,205

1 Dividends are net of foreign withholding taxes of \$6,162,000.

2 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$249,000, (\$46,000), and (\$5,000), respectively. Purchases and sales are for temporary cash investment purposes.

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

Statement of Changes in Net Assets

	Six Months Ended April 30, 2018	Year Ended October 31, 2017
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	66,788	107,010
Realized Net Gain (Loss)	98,798	57,506
Change in Unrealized Appreciation (Depreciation)	78,619	778,139
Net Increase (Decrease) in Net Assets Resulting from Operations	244,205	942,655
Distributions		
Net Investment Income		
Investor Shares	(14,012)	(16,555)
ETF Shares	(81,627)	(89,996)
Institutional Shares	(4,135)	(4,326)
Realized Capital Gain		
Investor Shares	—	—
ETF Shares	—	—
Institutional Shares	—	—
Total Distributions	(99,774)	(110,877)
Capital Share Transactions		
Investor Shares	106,559	162,348
ETF Shares	314,708	1,246,669
Institutional Shares	(3,911)	18,432
Net Increase (Decrease) from Capital Share Transactions	417,356	1,427,449
Total Increase (Decrease)	561,787	2,259,227
Net Assets		
Beginning of Period	5,605,896	3,346,669
End of Period¹	6,167,683	5,605,896

¹ Net Assets—End of Period includes undistributed (overdistributed) net investment income of (\$8,330,000) and \$19,100,000.

Financial Highlights

Investor Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2017	2016	2015	2014	2013	
Net Asset Value, Beginning of Period	\$44.36	\$36.74	\$36.27	\$38.10	\$38.99	\$33.21
Investment Operations						
Net Investment Income	.491 ¹	.965 ¹	.933	.887	.909	.946
Net Realized and Unrealized Gain (Loss) on Investments ²	1.414	7.684	.461	(1.769)	(.834)	5.947
Total from Investment Operations	1.905	8.649	1.394	(.882)	.075	6.893
Distributions						
Dividends from Net Investment Income	(.755)	(1.029)	(.924)	(.948)	(.965)	(1.113)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.755)	(1.029)	(.924)	(.948)	(.965)	(1.113)
Net Asset Value, End of Period	\$45.51	\$44.36	\$36.74	\$36.27	\$38.10	\$38.99
Total Return³	4.34%	24.02%	3.95%	-2.33%	0.15%	21.25%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$939	\$812	\$520	\$446	\$382	\$318
Ratio of Total Expenses to Average Net Assets	0.25%	0.25%	0.27%	0.31%	0.37%	0.40%
Ratio of Net Investment Income to Average Net Assets	1.92%	2.40%	2.63%	2.41%	2.25%	2.58%
Portfolio Turnover Rate ⁴	11%	14%	14%	9%	13%	19%

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

1 Calculated based on average shares outstanding.

2 Includes increases from purchase and redemption fees of \$.00, \$.00, \$.00, \$.00, \$.01, and \$.01. Effective July 25, 2014, fees were eliminated.

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

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

ETF Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
		2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$116.30	\$96.34	\$95.09	\$99.89	\$102.21	\$87.11
Investment Operations						
Net Investment Income	1.347 ¹	2.650 ¹	2.574	2.461	2.570	2.664
Net Realized and Unrealized Gain (Loss) on Investments ²	3.709	20.140	1.216	(4.634)	(2.169)	15.595
Total from Investment Operations	5.056	22.790	3.790	(2.173)	.401	18.259
Distributions						
Dividends from Net Investment Income	(2.046)	(2.830)	(2.540)	(2.627)	(2.721)	(3.159)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(2.046)	(2.830)	(2.540)	(2.627)	(2.721)	(3.159)
Net Asset Value, End of Period	\$119.31	\$116.30	\$96.34	\$95.09	\$99.89	\$102.21
Total Return	4.39%	24.16%	4.11%	-2.19%	0.34%	21.50%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$4,999	\$4,568	\$2,652	\$2,407	\$1,947	\$1,723
Ratio of Total Expenses to Average Net Assets	0.13%	0.13%	0.13%	0.17%	0.19%	0.20%
Ratio of Net Investment Income to Average Net Assets	2.04%	2.52%	2.77%	2.55%	2.43%	2.78%
Portfolio Turnover Rate ³	11%	14%	14%	9%	13%	19%

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

1 Calculated based on average shares outstanding.

2 Includes increases from purchase and redemption fees of \$.00, \$.00, \$.00, \$.00, \$.04, and \$.03. Effective July 25, 2014, fees were eliminated.

3 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Financial Highlights

Institutional Shares

For a Share Outstanding Throughout Each Period	Six Months Ended April 30, 2018	Year Ended October 31,				
	2017	2016	2015	2014	2013	
Net Asset Value, Beginning of Period	\$222.24	\$184.07	\$181.69	\$190.87	\$195.32	\$166.39
Investment Operations						
Net Investment Income	2.546 ¹	5.044 ¹	4.937	4.756	4.933	5.100
Net Realized and Unrealized Gain (Loss) on Investments ²	7.114	38.536	2.326	(8.864)	(4.161)	29.812
Total from Investment Operations	9.660	43.580	7.263	(4.108)	.772	34.912
Distributions						
Dividends from Net Investment Income	(3.920)	(5.410)	(4.883)	(5.072)	(5.222)	(5.982)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(3.920)	(5.410)	(4.883)	(5.072)	(5.222)	(5.982)
Net Asset Value, End of Period	\$227.98	\$222.24	\$184.07	\$181.69	\$190.87	\$195.32
Total Return³	4.40%	24.18%	4.11%	-2.17%	0.34%	21.51%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$229	\$226	\$175	\$164	\$57	\$18
Ratio of Total Expenses to Average Net Assets	0.12%	0.12%	0.12%	0.15%	0.18%	0.19%
Ratio of Net Investment Income to Average Net Assets	2.05%	2.53%	2.78%	2.57%	2.44%	2.79%
Portfolio Turnover Rate ⁴	11%	14%	14%	9%	13%	19%

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

1 Calculated based on average shares outstanding.

2 Includes increases from purchase and redemption fees of \$.00, \$.00, \$.00, \$.00, \$.06, and \$.07. Effective July 25, 2014, fees were eliminated.

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

4 Excludes the value of portfolio securities received or delivered as a result of in-kind purchases or redemptions of the fund's capital shares, including ETF Creation Units.

Notes to Financial Statements

Vanguard FTSE All-World ex-US Small-Cap Index 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. The fund offers three classes of shares: Investor Shares, ETF Shares, and Institutional Shares. Investor Shares are available to any investor who meets the fund's minimum purchase requirements. ETF Shares are listed for trading on NYSE Arca; they can be purchased and sold through a broker. Institutional Shares are designed for investors who meet certain administrative, service, and account-size criteria.

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 and Forward Currency Contracts:** The fund uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The fund may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. 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.

The fund also enters into forward currency contracts to provide the appropriate currency exposure related to any open futures contracts. The fund's risks in using these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the ability of the counterparties to fulfill their obligations under the contracts. The fund mitigates its counterparty risk by entering into forward currency contracts only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the fund cannot be repledged, resold, or rehypothecated. The master netting arrangements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate the forward currency contracts, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the fund under the master netting arrangements. The forward currency contracts contain provisions whereby a counterparty may terminate open contracts if the fund's net assets decline below a certain level, triggering a payment by the fund if the fund is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the fund has pledged. Any assets pledged as collateral for open contracts are noted in the Statement of Net Assets. The value of collateral received or pledged is compared daily to the value of the forward currency contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

Futures contracts are valued at their quoted daily settlement prices. Forward currency contracts are valued at their quoted daily prices obtained from an independent third party, adjusted for currency risk based on the expiration date of each contract. 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 gains (losses) on futures or forward currency contracts.

During the six months ended April 30, 2018, the fund's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period. The fund's average investment in forward currency contracts represented 2% of net assets, 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, 2014–2017), and for the period ended April 30, 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.

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 April 30, 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.

Taxes on foreign dividends and capital gains have been provided for in accordance with the fund's understanding of the applicable countries' tax rules and rates. Foreign capital gains tax is accrued daily based upon net unrealized gains. The fund has filed tax reclaims for previously withheld taxes on dividends earned in certain European Union countries. These filings are subject to various administrative and judicial proceedings within these countries. Such tax reclaims received during the year, if any, are included in dividend income. No other amounts for additional tax reclaims are reflected in the financial statements due to the uncertainty as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment.

Each class of shares has equal rights as to assets and earnings, except that each class separately bears certain class-specific expenses related to maintenance of shareholder accounts (included in Management and Administrative expenses), shareholder reporting, and the proxy. Marketing and distribution expenses are allocated to each class of shares based on a method approved by the board of trustees. Income, other non-class-specific expenses, and gains and losses on investments are allocated to each class of shares based on its relative net assets.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees. 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 April 30, 2018, the fund had contributed to Vanguard capital in the amount of \$326,000, representing 0.01% of the fund's net assets and 0.13% of Vanguard's capitalization. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

C. 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 April 30, 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	853,265	—	1
Common Stocks—Other	36,501	5,221,116	13,111
Temporary Cash Investments	386,638	17,627	—
Futures Contracts—Assets ¹	63	—	—
Futures Contracts—Liabilities ¹	(211)	—	—
Forward Currency Contracts—Assets	—	2,963	—
Forward Currency Contracts—Liabilities	—	(3,717)	—
Total	1,276,256	5,237,989	13,112

¹ 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 \$64,952,000 based on Level 2 inputs were transferred from Level 1 during the fiscal period. Additionally, based on values on the date of transfer, securities valued at \$73,029,000 based on Level 1 inputs were transferred from Level 2 during the fiscal period.

D. At April 30, 2018, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

Statement of Assets and Liabilities Caption	Equity Contracts (\$000)	Foreign Exchange Contracts (\$000)	Total (\$000)
Variation Margin Receivable—Futures Contracts	63	—	63
Unrealized Appreciation—Forward Currency Contracts	—	2,963	2,963
Total Assets	63	2,963	3,026
Variation Margin Payable—Futures Contracts	(211)	—	(211)
Unrealized Depreciation—Forward Currency Contracts	—	(3,717)	(3,717)
Total Liabilities	(211)	(3,717)	(3,928)

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended April 30, 2018, were:

Realized Net Gain (Loss) on Derivatives	Equity Contracts (\$000)	Foreign Exchange Contracts (\$000)	Total (\$000)
Futures Contracts	504	—	504
Forward Currency Contracts	—	569	569
Realized Net Gain (Loss) on Derivatives	504	569	1,073
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Futures Contracts	(2,204)	—	(2,204)
Forward Currency Contracts	—	166	166
Change in Unrealized Appreciation (Depreciation) on Derivatives	(2,204)	166	(2,038)

E. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

Certain of the fund's investments are in securities considered to be passive foreign investment companies, for which any unrealized appreciation and/or realized gains are required to be included in distributable net investment income for tax purposes. During the six months ended April 30, 2018, the fund realized gains on the sale of passive foreign investment companies of \$5,844,000, which have been included in current and prior periods' taxable income; accordingly, such gains have been reclassified from accumulated net realized losses to overdistributed net investment income. Passive foreign investment companies had unrealized appreciation of \$57,254,000 at April 30, 2018.

During the six months ended April 30, 2018, the fund realized \$103,677,000 of net capital gains resulting from in-kind redemptions—in which shareholders exchanged fund shares for securities held by the fund rather than for cash. Because such gains are not taxable to the fund, and are not distributed to shareholders, they have been reclassified from accumulated net realized losses to paid-in capital.

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at October 31, 2017, the fund had available capital losses totaling \$139,472,000 to offset future net capital gains. Of this amount, \$8,715,000 is subject to expiration on October 31, 2019. Capital losses of \$130,757,000 realized beginning in fiscal 2012 may be carried forward indefinitely under the Regulated Investment Company Modernization Act of 2010, but must be used before any expiring loss carryforwards. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending October 31, 2018; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

At April 30, 2018, the cost of investment securities for tax purposes was \$5,839,957,000. Net unrealized appreciation of investment securities for tax purposes was \$688,302,000, consisting of unrealized gains of \$1,160,653,000 on securities that had risen in value since their purchase and \$472,351,000 in unrealized losses on securities that had fallen in value since their purchase.

F. During the six months ended April 30, 2018, the fund purchased \$975,820,000 of investment securities and sold \$581,225,000 of investment securities, other than temporary cash investments. Purchases and sales include \$252,309,000 and \$257,642,000, respectively, in connection with in-kind purchases and redemptions of the fund's capital shares.

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

	Six Months Ended April 30, 2018		Year Ended October 31, 2017	
	Amount (\$000)	Shares (000)	Amount (\$000)	Shares (000)
Investor Shares				
Issued	192,915	4,229	268,136	6,796
Issued in Lieu of Cash Distributions	12,173	275	14,233	370
Redeemed	(98,529)	(2,162)	(120,021)	(3,006)
Net Increase (Decrease)—Investor Shares	106,559	2,342	162,348	4,160
ETF Shares				
Issued	588,071	4,925	1,304,242	12,247
Issued in Lieu of Cash Distributions	—	—	—	—
Redeemed	(273,363)	(2,300)	(57,573)	(500)
Net Increase (Decrease)—ETF Shares	314,708	2,625	1,246,669	11,747
Institutional Shares				
Issued	30,680	135	66,784	330
Issued in Lieu of Cash Distributions	4,004	18	4,326	22
Redeemed	(38,595)	(165)	(52,678)	(285)
Net Increase (Decrease)—Institutional Shares	(3,911)	(12)	18,432	67

H. Management has determined that no material events or transactions occurred subsequent to April 30, 2018, that would require recognition or disclosure in these financial statements.

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 April 30, 2018

	Beginning Account Value 10/31/2017	Ending Account Value 4/30/2018	Expenses Paid During Period
Based on Actual Fund Return			
FTSE All-World ex-US Index Fund			
Investor Shares	\$1,000.00	\$1,030.04	\$1.16
ETF Shares	1,000.00	1,030.50	0.55
Admiral Shares	1,000.00	1,030.68	0.55
Institutional Shares	1,000.00	1,030.65	0.50
Institutional Plus Shares	1,000.00	1,030.75	0.35
FTSE All-World ex-US Small-Cap Index Fund			
Investor Shares	\$1,000.00	\$1,043.41	\$1.27
ETF Shares	1,000.00	1,043.88	0.66
Institutional Shares	1,000.00	1,043.96	0.61
Based on Hypothetical 5% Yearly Return			
FTSE All-World ex-US Index Fund			
Investor Shares	\$1,000.00	\$1,023.65	\$1.15
ETF Shares	1,000.00	1,024.25	0.55
Admiral Shares	1,000.00	1,024.25	0.55
Institutional Shares	1,000.00	1,024.30	0.50
Institutional Plus Shares	1,000.00	1,024.45	0.35
FTSE All-World ex-US Small-Cap Index Fund			
Investor Shares	\$1,000.00	\$1,023.55	\$1.25
ETF Shares	1,000.00	1,024.15	0.65
Institutional Shares	1,000.00	1,024.20	0.60

The calculations are based on expenses incurred in the most recent six-month period. The funds' annualized six-month expense ratios for that period are: for the FTSE All-World ex-US Index Fund, 0.23% for Investor Shares, 0.11% for ETF Shares, 0.11% for Admiral Shares, 0.10% for Institutional Shares, and 0.07% for Institutional Plus Shares; and for the FTSE All-World ex-US Small-Cap Index Fund, 0.25% for Investor Shares, 0.13% for ETF Shares, and 0.12% for Institutional Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

Trustees Approve Advisory Arrangements

The board of trustees of Vanguard FTSE All-World ex-US Index Fund and Vanguard FTSE All-World ex-US Small-Cap Index Fund has renewed each fund's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing each fund's internalized management structure was in the best interests of the funds and their shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. 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 provided to the FTSE All-World ex-US Index Fund since its inception in 2007 and to the FTSE All-World ex-US Small-Cap Index Fund since its inception in 2009, and took into account the organizational depth and stability of the advisor. The board considered that Vanguard has been managing investments for more than three decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangements.

Investment performance

The board considered each fund's performance since its inception, including any periods of outperformance or underperformance compared with its target index and peer group. The board concluded that the performance was such that the advisory arrangements should continue. Information about each fund's most recent performance can be found in the Performance Summary sections of this report.

Cost

The board concluded that each fund's expense ratio was well below the average expense ratio charged by funds in its peer group and that each fund's advisory expenses were also well below its peer-group average. Information about the funds' expenses appears in the About Your Fund's Expenses section of this report as well as in the Financial Statements sections.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique "at-cost" structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees and produces "profits" only in the form of reduced expenses for fund shareholders.

The benefit of economies of scale

The board concluded that the funds' at-cost arrangements with Vanguard ensure that the funds will realize economies of scale as they grow, with the cost to shareholders declining as fund assets increase.

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

Glossary

Beta. A measure of the magnitude of a fund's past share-price fluctuations in relation to the ups and downs of a given market index. The index is assigned a beta of 1.00. Compared with a given index, a fund with a beta of 1.20 typically would have seen its share price rise or fall by 12% when the index rose or fell by 10%. For this report, beta is based on returns over the past 36 months for both the fund and the index. Note that a fund's beta should be reviewed in conjunction with its R-squared (see definition). The lower the R-squared, the less correlation there is between the fund and the index, and the less reliable beta is as an indicator of volatility.

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.

Fair-Value Pricing. Fair-value adjustments, which are required by the Securities and Exchange Commission, address pricing discrepancies that may arise because of time-zone differences among global stock markets. Foreign stocks may trade on exchanges that close many hours before a fund's closing share price is calculated in the United States, generally at 4 p.m., Eastern time. In the hours between the foreign close and the U.S. close, the value of these foreign securities may change—because of company-specific announcements or market-wide developments, for example. Such price changes are not immediately reflected in international index values. Fair-value pricing takes such changes into account in calculating the fund's daily net asset value, thus ensuring that the NAV doesn't include "stale" prices. The result can be a temporary divergence between the return of the fund and that of its benchmark index—a difference that usually corrects itself when the foreign markets reopen.

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.

R-Squared. A measure of how much of a fund's past returns can be explained by the returns from the market in general, as measured by a given index. If a fund's total returns were precisely synchronized with an index's returns, its R-squared would be 1.00. If the fund's returns bore no relationship to the index's returns, its R-squared would be 0. For this report, R-squared is based on returns over the past 36 months for both the fund and the index.

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 208 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.

Interested Trustees¹

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.

¹ 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

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
Chris D. McIsaac	

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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You can review and copy information about your fund at the SEC's Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at 202-551-8090. Information about your fund is also available on the SEC's website, and you can receive copies of this information, for a fee, by sending a request in either of two ways: via email addressed to publicinfo@sec.gov or via regular mail addressed to the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-1520.

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