

Vanguard Tax-Managed Capital Appreciation Fund

Domestic stock fund | Admiral™ Shares

Fund facts

Risk level Low ← → High					Total net assets	Expense ratio as of 04/28/20	Ticker symbol	Turnover rate as of 12/31/19	Inception date	Fund number
1	2	3	4	5	\$10,373 MM	0.09%	VTCLX	4.7%	09/06/94	5102

Investment objective

Vanguard Tax-Managed Capital Appreciation Fund seeks to provide a tax-efficient investment return consisting of long-term capital appreciation.

Investment strategy

The fund invests in stocks that pay lower dividends included in the Russell 1000 Index—an index that is made up of the stocks of large- and mid-capitalization U.S. companies. The fund uses statistical methods to sample the index, aiming to minimize taxable dividends while approximating the other characteristics of the index. The expected result is a portfolio that will loosely track the total return performance of the index, but with lower taxable income distributions.

For the most up-to-date fund data, please scan the QR code below.



Benchmark

Russell 1000 Index

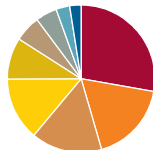
Total returns

	Periods ended June 30, 2020					
	Quarter	Year to date	One year	Three years	Five years	Ten years
Returns before taxes						
Fund	21.70%	-2.60%	7.56%	10.76%	10.62%	14.10%
Benchmark	21.82%	-2.81%	7.48%	10.64%	10.47%	13.97%
Returns after taxes on distributions						
Fund			7.11%	10.32%	10.13%	13.67%
Returns after taxes on distributions and sale of fund shares						
Fund			4.75%	8.34%	8.35%	11.81%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Top sector holdings—stocks



Technology	27.8%	Consumer Staples	5.7
Financial Services	17.7	Utilities	4.7
Consumer Discretionary	15.6	Materials & Processing	3.0
Health Care	13.8	Energy	2.5
Producer Durables	9.2	Other	0.0

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

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index. The Admiral Shares' inception date is November 12, 2001; investment returns since that date are historical returns. All other average annual and cumulative total returns shown are blended returns of the historical performance of Admiral Shares and the fund's Investor Shares. The 2001 fourth-quarter and calendar-year annual returns are also blended returns of the historical performance of Admiral Shares and Investor Shares. All other quarterly and calendar-year annual returns reflect Investor Shares' historical performance. Since-inception performance is from the fund's Investor Shares inception on September 6, 1994.

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Ten largest holdings*

1	Apple Inc.	
2	Microsoft Corp.	
3	Amazon.com Inc.	
4	Alphabet Inc.	
5	Facebook Inc.	
6	Johnson & Johnson	
7	Berkshire Hathaway Inc.	
8	Visa Inc.	
9	JPMorgan Chase & Co.	
10	Procter & Gamble Co.	
Top 10 as % of total net assets		25.2%

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

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Plain talk about risk

An investment in the fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. Because of the fund's emphasis on low-dividend stocks and its policy of realizing losses to help offset capital gains, its performance will periodically deviate from that of the Russell 1000 Index. However, over time, this deviation is expected to be relatively modest. The fund's performance could be hurt by:

Stock market risk: The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices. The fund's target index may, at times, become focused in stocks of a particular sector, category, or group of companies.

Investment style risk: The chance that returns from mid- and large-capitalization stocks will trail returns from the overall stock market. Historically, mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. Mid-cap stocks tend to have greater volatility than large-cap stocks because, among other things, medium-size companies are more sensitive to changing economic conditions.

Note on frequent trading restrictions

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

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

If you receive your retirement plan statement from Vanguard or log on to Vanguard's website to view your plan, visit [vanguard.com](https://www.vanguard.com) or call **800-523-1188**.

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

Visit [vanguard.com](https://www.vanguard.com) to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

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

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