

Vanguard Tax-Managed Capital Appreciation Fund

Domestic stock fund | Admiral™ Shares

Fund facts

| Risk level | | | | | Total net assets | Expense ratio as of 04/28/23 | Ticker symbol | Turnover rate | Inception date | Fund number |
|------------|-----|---|---|------|------------------|------------------------------|---------------|---------------|----------------|-------------|
| Low | ← → | | | High | | | | | | |
| 1 | 2 | 3 | 4 | 5 | \$14,990 MM | 0.09% | VTCLX | 2.1% | 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, 2023 | | | | | |
|---|-----------------------------|--------------|----------|-------------|------------|-----------|
| | Quarter | Year to date | One year | Three years | Five years | Ten years |
| Returns before taxes | | | | | | |
| Fund | 8.59% | 16.81% | 19.55% | 14.25% | 12.05% | 12.82% |
| Benchmark | 8.58% | 16.68% | 19.36% | 14.09% | 11.92% | 12.64% |
| Returns after taxes on distributions | | | | | | |
| Fund | | | 19.13% | 13.89% | 11.65% | 12.38% |
| Returns after taxes on distributions and sale of fund shares | | | | | | |
| Fund | | | 11.80% | 11.14% | 9.55% | 10.61% |

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](https://www.vanguard.com/performance). The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

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.

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.

Vanguard Tax-Managed Capital Appreciation Fund

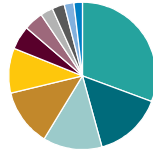
Domestic stock fund | Admiral™ Shares

Ten largest holdings*

| | | |
|---------------------------------|-------------------------|-------|
| 1 | Apple Inc. | |
| 2 | Microsoft Corp. | |
| 3 | Alphabet Inc. | |
| 4 | Amazon.com Inc. | |
| 5 | NVIDIA Corp. | |
| 6 | Tesla Inc. | |
| 7 | Meta Platforms Inc. | |
| 8 | Berkshire Hathaway Inc. | |
| 9 | UnitedHealth Group Inc. | |
| 10 | Exxon Mobil Corp. | |
| Top 10 as % of total net assets | | 28.5% |

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

Sector Diversification



| | | | |
|------------------------|-------|--------------------|-----|
| Technology | 30.7% | Energy | 4.2 |
| Consumer Discretionary | 15.0 | Real Estate | 2.8 |
| Industrials | 13.0 | Utilities | 2.7 |
| Health Care | 12.5 | Telecommunications | 2.1 |
| Financials | 9.9 | Basic Materials | 1.9 |
| Consumer Staples | 5.2 | Other | 0.0 |

Sector categories are based on the Industry Classification Benchmark system ("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.

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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.

After-tax returns are calculated using the highest individual federal income tax rates in effect at the time of each distribution. They do not reflect the impact of state and local taxes. Your after-tax return depends on your individual tax situation and, therefore, may differ from the return presented here. If you own fund shares in a tax-deferred account such as an individual retirement account or 401(k) plan, this information does not apply to your investment because these accounts are not subject to current taxes. After-tax returns for Vanguard funds reflect the reduced tax rates on ordinary income, qualified dividend income, and short-term and long-term capital gains that went into effect in 2003. The fund's past performance—whether before or after taxes—does not guarantee future results. If a fund incurs a loss, which generates a tax benefit, the post-liquidation after-tax return may exceed the fund's other return figures. After-tax returns are quarter-end adjusted for fees. After-tax returns for most funds are calculated using the tax liability implied by each fund's declared distributions. However, the exact tax characteristics of many distributions are not known until after the close of the calendar year.

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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.

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