



**Vanguard**<sup>®</sup>

# Vanguard<sup>®</sup> Global Stock Index Fund

## An Index-Related Fund

28 February 2010

### Investment objective

The fund seeks to provide long-term growth of capital by tracking the performance of the Morgan Stanley Capital International World Free Index, a market-capitalisation-weighted index of common stocks of companies in developed countries. For the Institutional "Euro Hedged" shares, the fund seeks to actively hedge exposure to currencies other than euro.

### Investment strategy

The fund attempts to track its index by holding a portfolio of all, or a representative sample, of the securities in the MSCI World Free Index in roughly the same proportions as represented in the index itself.

### Fund returns\*

#### Vanguard Global Stock Index Fund—USD

	Investor Shares		Institutional Shares		MSCI World Free Index USD	
	Net of expenses	Gross of expenses	Net of expenses	Gross of expenses	Investor Shares	Institutional Shares
1 month	1.37%	1.41%	1.37%	1.41%	1.41%	1.41%
3 months	-1.18	-1.06	-1.16	-1.06	-1.04	-1.04
Year to date	-2.85	-2.77	-2.84	-2.77	-2.78	-2.78
1 year	53.60	54.37	53.75	54.36	54.30	54.30
3 years	-7.05	-6.59	-6.96	-6.59	-6.72	-6.72
5 years	0.90	1.41	1.00	1.40	1.27	1.27
10 years	-0.37	0.13	-0.27	0.13	0.04	0.04

#### Vanguard Global Stock Index Fund—EUR

	Investor Shares		Institutional Shares		MSCI World Free Index in Euros	
	Net of expenses	Gross of expenses	Net of expenses	Gross of expenses	Investor Shares	Institutional Shares
1 month	3.24%	3.28%	3.25%	3.28%	3.29%	3.29%
3 months	8.71	8.85	8.74	8.84	8.87	8.87
Year to date	2.13	2.22	2.15	2.22	2.21	2.21
1 year	42.96	43.67	43.09	43.66	43.60	43.60
3 years	-8.06	-7.60	-7.97	-7.60	-7.73	-7.73
5 years	0.34	0.85	0.44	0.85	0.71	0.71
10 years	-3.79	-3.31	—	—	-3.39	-3.39
Since inception	-3.73	-3.25	2.30	2.71	-3.34	2.55

#### Vanguard Global Stock Index Fund—EUR Hedged Shares

	Institutional Shares		MSCI Indices EUR World Index Hedged
	Net of expenses	Gross of expenses	
1 month	1.92%	1.95%	1.95%
3 months	1.73	1.83	1.84
Year to date	-1.88	-1.82	-1.83
1 year	44.99	45.57	45.47
3 years	-8.60	-8.24	-8.29
5 years	-0.24	0.16	0.08
Since inception	0.77	1.17	1.10

### Total expense ratio

	Investor Shares	Institutional Shares	Institutional Hedged†
Administrative and other expenses	0.21%	0.11%	0.11%
Investment management expenses	0.29	0.29	0.29
Total expense ratio	0.50%	0.40%	0.40%

### Fund facts

	Investor Shares	Institutional Shares	Institutional Hedged
<b>Inception date</b>			
USD	12 August 1998	04 August 1998	—
EUR	14 February 2000	10 December 2002	04 November 2004
<b>Purchase fee</b>	0.00%	0.00%	0.00%
<b>Redemption fee</b>	0.00%	0.00%	0.00%
<b>Fund codes (USD)</b>			
Bloomberg	VANGIVI	VANGISI	—
CUSIP	G9318R309	G9318R358	—
ISIN	IE00B03HD084	IE00B03HD209	—
Sedol	B03HD08	B03HD20	—
Valoren	988450	0989786	—
Vanguard Fund Code	VGUVA	VGUSA	—
<b>Fund codes (EUR)</b>			
Bloomberg	VANGLVI	VANGEIS	VANGLEH
CUSIP	G9318R150	G9318R184	—
ISIN	IE00B03HCZ61	IE00B03HD191	IE00B03HD316
Sedol	B03HCZ6	B03HD19	B03HD31
Valoren	1129250	1997784	1129259
Vanguard Fund Code	VGEBV	VGESB	VGSEH
<b>Minimum initial investment</b>			
USD/EUR	100,000	500,000	500,000
<b>Domicile</b>			<b>Currencies</b>
Ireland			USD, EUR
<b>Trading frequency</b>			<b>Settlement</b>
Daily (11.00 GMT cutoff)			T+3
<b>Total assets</b>			<b>Structure</b>
USD (millions) 3,699			UCITS III
EUR (millions) 2,711			

### Investment Manager

The Vanguard Group, Inc. (Vanguard)

Donald M. Butler, CFA, Principal  
Portfolio manager.  
Advised the fund since 2008.  
Worked in investment management since 1997.  
B.S.B.A., Shippensburg University.

\*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.

†Institutional hedged class in Euros.

# Vanguard® Global Stock Index Fund

## An Index-Related Fund

### Quarterly fund commentary as at 31 December 2009

- The global equity markets, as measured by the MSCI All Country World Index, continued their climb (+4.63%) during the fourth quarter, capping off a strong 2009 and providing a much-needed reprieve for many investors still feeling the losses of 2008. Continuing the intense rally that began in early March 2009, U.S. equity markets also marched higher during the fourth quarter. In this environment, the MSCI World Free Index returned 4.07% for the three months.
- The United States (+6.0%), which, on average, accounted for 48% of the index's capitalization during the quarter, was the largest contributor to performance, reflecting an improving domestic economy. Large U.S. information technology firms Microsoft (+19%), Google (+25%) and Apple (+14%) rallied significantly. Similarly, stocks in the United Kingdom rose (+6.9%), driven largely by materials holdings Rio Tinto (+29%) and Anglo American (+37%).
- For the 12 months ended 31 December, the MSCI World Free Index returned 30.00%. The United States (+27.1%) and the United Kingdom (+43.4%), which together accounted for almost 59% of the index's capitalization during the period, were the largest contributors to the index's performance. U.S. information technology holdings contributed particularly to results, with Apple (+147%) and Microsoft (+60%) rising significantly.

All returns are based in U.S. dollars.

### Fund characteristics

	Global Stock Index Fund	MSCI World Free Index
Number of stocks	1,660	1,651
Median market cap	\$34.7B	\$34.7B
Price/earnings ratio	23.8x	23.9x
Price/book ratio	1.8x	1.8x
Return on equity	19.2%	19.1%
Earnings growth rate	7.8%	7.7%
Cash investments	0.5%	—
Turnover rate	17%	—
Equity yield (dividend)	2.6%	2.6%

The PTR approach considers the total security purchases and sales, the total subscriptions and redemptions and the average net assets of the fund to calculate the turnover figure. Data as of 31 December 2009.

### Ten largest holdings

	Global Stock Index Fund
Exxon Mobil Corp.	1.5%
Microsoft Corp.	1.1
HSBC Holdings PLC	0.9
Procter & Gamble Co.	0.9
Apple Inc.	0.9
Johnson & Johnson	0.8
Nestle SA	0.8
General Electric Co.	0.8
International Business Machines Corp.	0.8
BP PLC	0.8
<b>Total</b>	<b>9.3%</b>

### Sector diversification (% of common stock)

	Global Stock Index Fund	MSCI World Free Index
Consumer Discretionary	9.5%	9.5%
Consumer Staples	10.4	10.4
Energy	10.7	10.7
Financials	20.7	20.7
Health Care	10.3	10.3
Industrials	10.6	10.6
Information Technology	11.9	11.9
Materials	7.3	7.3
Telecommunication Services	4.2	4.2
Utilities	4.4	4.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Market diversification

	Global Stock Index Fund	MSCI World Free Index
<b>Europe</b>		
United Kingdom	9.5	9.7
France	4.9	4.9
Switzerland	3.7	3.7
Germany	3.5	3.5
Spain	1.8	1.8
Italy	1.5	1.5
Netherlands	1.4	1.2
Sweden	1.2	1.2
Finland	0.5	0.5
Belgium	0.5	0.5
Denmark	0.4	0.4
Norway	0.3	0.3
Greece	0.2	0.2
Austria	0.1	0.1
Portugal	0.1	0.1
Ireland	0.1	0.1
Subtotal	29.7	29.7
<b>Pacific</b>		
Japan	10.4	10.4
Australia	3.9	3.9
Hong Kong	1.1	1.1
Singapore	0.7	0.7
New Zealand	0.1	0.1
Subtotal	16.2	16.2
<b>North America</b>		
United States	49.2	49.2
Canada	4.9	4.9
Subtotal	54.1	54.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Volatility

	R-Squared	Beta
Investor Shares	1.00	1.00
Institutional Shares	1.00	1.00
Institutional Hedged	1.00	1.00

R-squared and beta are calculated from trailing 36-month fund returns relative to the MSCI World Free Index USD.

For more information  
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