



Vanguard[®]

Vanguard[®] Global Stock Index Fund

An Index-Related Fund

31 January 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 | -4.16% | -4.12% | -4.15% | -4.12% | -4.13% | -4.13% |
| 3 months | 1.45 | 1.57 | 1.47 | 1.57 | 1.58 | 1.58 |
| Year to date | -4.16 | -4.12 | -4.15 | -4.12 | -4.13 | -4.13 |
| 1 year | 36.00 | 36.68 | 36.12 | 36.67 | 36.58 | 36.58 |
| 3 years | -7.65 | -7.19 | -7.56 | -7.19 | -7.32 | -7.32 |
| 5 years | 1.25 | 1.76 | 1.35 | 1.76 | 1.61 | 1.61 |
| 10 years | -0.48 | 0.02 | -0.39 | 0.01 | -0.08 | -0.08 |

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 | -1.07% | -1.03% | -1.06% | -1.03% | -1.04% | -1.04% |
| 3 months | 7.69 | 7.82 | 7.71 | 7.82 | 7.82 | 7.82 |
| Year to date | -1.07 | -1.03 | -1.06 | -1.03 | -1.04 | -1.04 |
| 1 year | 25.39 | 26.02 | 25.51 | 26.01 | 25.93 | 25.93 |
| 3 years | -9.70 | -9.25 | -9.61 | -9.25 | -9.37 | -9.37 |
| 5 years | -0.04 | 0.47 | 0.06 | 0.46 | 0.32 | 0.32 |
| Since inception | -4.07 | -3.59 | 1.86 | 2.27 | -3.67 | 2.11 |

Vanguard Global Stock Index Fund—EUR Hedged Shares

| | Institutional Shares | | MSCI Indices EUR World Index Hedged |
|-----------------|----------------------|-------------------|-------------------------------------|
| | Net of expenses | Gross of expenses | |
| 1 month | -3.73% | -3.70% | -3.71% |
| 3 months | 2.82 | 2.92 | 2.93 |
| Year to date | -3.73 | -3.70 | -3.71 |
| 1 year | 29.59 | 30.11 | 30.03 |
| 3 years | -9.57 | -9.21 | -9.25 |
| 5 years | -0.14 | 0.26 | 0.17 |
| Since inception | 0.41 | 0.82 | 0.75 |

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 |
|-----------------------------------|------------------|----------------------|----------------------|
| Inception date | | | |
| USD | 12 August 1998 | 04 August 1998 | — |
| EUR | 14 February 2000 | 10 December 2002 | 04 November 2004 |
| Purchase fee | 0.00% | 0.00% | 0.00% |
| Redemption fee | 0.00% | 0.00% | 0.00% |
| Fund codes (USD) | | | |
| Bloomberg | VANGIVI | VANGISI | — |
| CUSIP | G9318R309 | G9318R358 | — |
| ISIN | IE00B03HD084 | IE00B03HD209 | — |
| Sedol | B03HD08 | B03HD20 | — |
| Valoren | 988450 | 0989786 | — |
| Vanguard Fund Code | VGUVA | VGUSA | — |
| Fund codes (EUR) | | | |
| 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 |
| Minimum initial investment | | | |
| USD/EUR | 100,000 | 500,000 | 500,000 |
| Domicile | | | |
| Ireland | | | USD, EUR |
| Trading frequency | | | |
| Daily (11.00 GMT cutoff) | | | T+3 |
| Total assets | | | |
| USD (millions) 3,568 | | | Structure |
| EUR (millions) 2,567 | | | UCITS III |

Investment Manager

Vanguard Quantitative Equity Group
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 | 1,666 | 1,654 |
| Median market cap | \$33.9B | \$33.9B |
| Price/earnings ratio | 30.3x | 30.3x |
| Price/book ratio | 1.8x | 1.8x |
| Return on equity | 19.3% | 19.2% |
| Earnings growth rate | 9.6% | 9.6% |
| Cash investments | 0.0% | — |
| 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

| | |
|---------------------------------------|-------------|
| Exxon Mobil Corp. | 1.5% |
| Microsoft Corp. | 1.1 |
| HSBC Holdings PLC | 0.9 |
| Procter & Gamble Co. | 0.9 |
| BP PLC | 0.8 |
| Johnson & Johnson | 0.8 |
| Apple Inc. | 0.8 |
| General Electric Co. | 0.8 |
| Nestle SA | 0.8 |
| International Business Machines Corp. | 0.8 |
| Total | 9.2% |

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 | 10.8 | 10.8 |
| Financials | 20.4 | 20.6 |
| Health Care | 10.4 | 10.4 |
| Industrials | 10.7 | 10.7 |
| Information Technology | 11.7 | 11.7 |
| Materials | 7.2 | 7.2 |
| Telecommunication Services | 4.3 | 4.3 |
| Utilities | 4.6 | 4.6 |
| Total | 100.0% | 100.0% |

Market diversification

| | Global Stock Index Fund | MSCI World Free Index |
|----------------|-------------------------|-----------------------|
| Europe | | |
| United Kingdom | 9.8 | 10.1 |
| France | 5.0 | 5.0 |
| Switzerland | 3.6 | 3.6 |
| Germany | 3.6 | 3.6 |
| Spain | 2.0 | 2.0 |
| Italy | 1.6 | 1.6 |
| Netherlands | 1.5 | 1.3 |
| Sweden | 1.2 | 1.2 |
| Finland | 0.6 | 0.6 |
| Belgium | 0.5 | 0.5 |
| Denmark | 0.4 | 0.4 |
| Norway | 0.4 | 0.4 |
| Greece | 0.2 | 0.2 |
| Austria | 0.2 | 0.2 |
| Portugal | 0.1 | 0.1 |
| Ireland | 0.1 | 0.1 |
| Subtotal | 30.8 | 30.9 |
| Pacific | | |
| Japan | 10.3 | 10.4 |
| Australia | 3.8 | 3.8 |
| Hong Kong | 1.1 | 1.1 |
| Singapore | 0.7 | 0.7 |
| New Zealand | 0.1 | 0.0 |
| Subtotal | 16.0 | 16.0 |
| North America | | |
| United States | 48.5 | 48.4 |
| Canada | 4.7 | 4.7 |
| Subtotal | 53.2 | 53.1 |
| Total | 100.0% | 100.0% |

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

Web: <http://global.vanguard.com>
 Email (global): international@vanguard.com
 Email (Europe): client.services@vanguard.be
 Tel (global): +1 610 669 6705
 Tel (Europe): +32 (0) 2 357 3030

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