

Vanguard Tax-Managed Small-Cap Fund

Admiral™ Shares (VTMSX)

Annual Shareholder Report | December 31, 2024

This annual shareholder report contains important information about Vanguard Tax-Managed Small-Cap Fund (the "Fund") for the period of January 1, 2024, to December 31, 2024. You can find additional information about the Fund at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>. You can also request this information by contacting us at 800-662-7447.

What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

Share Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Admiral Shares	\$9	0.09%

How did the Fund perform during the reporting period?

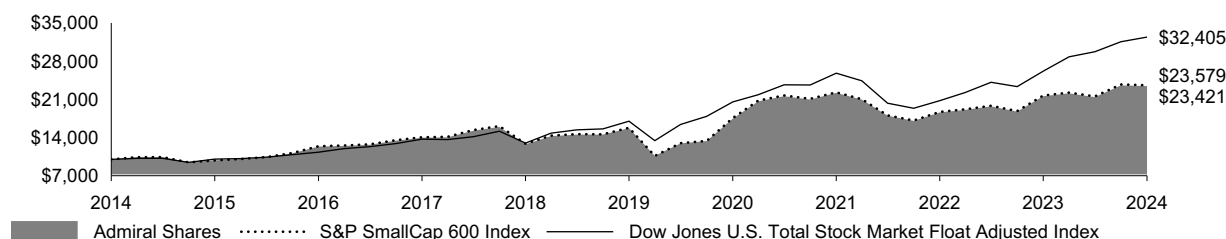
- For the 12 months ended December 31, 2024, the Fund performed in line with its benchmark, the S&P SmallCap 600 Index.
- U.S. economic growth hovered around 3% on a year-over-year basis for much of the period, and consumer price inflation trended lower, falling below 3% in July. The Federal Reserve began cutting short-term interest rates in September, which boosted stock returns, as did the prospect of tax cuts and deregulation under the incoming administration. But near the end of the period, reduced expectations for further rate cuts weighed on stock returns and bond prices.
- Nine of the benchmark's 11 industry sectors produced positive returns. Financial and industrial stocks contributed the most to the benchmark's return. Energy and information technology, the two sectors that posted negative returns, detracted the most.
- For the decade ended December 31, 2024, the Fund performed in line with its benchmark, which returned nearly 9%, annualized.

How did the Fund perform over the past 10 years?

Keep in mind that the Fund's past performance does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447. The graph and returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund shares.

Cumulative Performance: December 31, 2014, Through December 31, 2024

Initial Investment of \$10,000



Average Annual Total Returns

	1 Year	5 Years	10 Years
Admiral Shares	8.61%	8.31%	8.88%
S&P SmallCap 600 Index	8.70%	8.36%	8.96%
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.88%	13.78%	12.48%

This table reflects the Fund's investments, including short-term investments, derivatives and other assets and liabilities.

Fund Statistics (as of December 31, 2024)		Portfolio Composition % of Net Assets (as of December 31, 2024)	
Fund Net Assets (in millions)	\$9,494	Communication Services	3.4%
Number of Portfolio Holdings	607	Consumer Discretionary	14.7%
Portfolio Turnover Rate	14%	Consumer Staples	3.0%
Total Investment Advisory Fees (in thousands)	\$155	Energy	4.6%
		Financials	18.8%
		Health Care	11.2%
		Industrials	17.7%
		Information Technology	12.1%
		Materials	4.4%
		Real Estate	7.6%
		Utilities	2.2%
		Other Assets and Liabilities—Net	0.3%

Where can I find additional information about the Fund?

Additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information is available at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>.

Connect with Vanguard® • vanguard.com

Fund Information • 800-662-7447

Direct Investor Account Services • 800-662-2739

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AR116