

Semiannual Report | April 30, 2021

Vanguard International Value Fund

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About Your Fund's Expenses

As a shareholder of the fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of the fund.

A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The accompanying table illustrates your fund's costs in two ways:

- **Based on actual fund return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your fund under the heading "Expenses Paid During Period."

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the fund's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the fund for buying and selling securities. Further, the expenses do not include any purchase, redemption, or account service fees described in the fund prospectus. If such fees were applied to your account, your costs would be higher. Your fund does not carry a "sales load."

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the fund's expenses, including annual expense ratios, in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your fund's current prospectus.

Six Months Ended April 30, 2021

International Value Fund	Beginning Account Value 10/31/2020	Ending Account Value 4/30/2021	Expenses Paid During Period
Based on Actual Fund Return	\$1,000.00	\$1,363.20	\$2.05
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.06	1.76

The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratio for that period is 0.35%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

International Value Fund

Fund Allocation

As of April 30, 2021

Communication Services	5.5%
Consumer Discretionary	15.4
Consumer Staples	7.2
Energy	5.6
Financials	18.3
Health Care	4.6
Industrials	18.8
Information Technology	7.7
Materials	12.2
Real Estate	1.4
Utilities	3.3

The table reflects the fund's investments, except for short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P"), and is licensed for use by Vanguard. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Financial Statements (unaudited)

Schedule of Investments

As of April 30, 2021

The fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The fund's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (94.3%)					
Australia (1.0%)					
BHP Group Ltd.	2,086,295	75,933			
National Australia Bank Ltd.	2,179,620	44,604	*		
Adbri Ltd.	8,575,294	21,190	*.2		
		141,727	Autohome Inc. ADR	616,984	57,213
Belgium (0.5%)			China Longyuan Power Group Corp. Ltd. Class H	36,021,000	52,970
Anheuser-Busch InBev SA/NV	939,832	66,571	* Weibo Corp. ADR	887,480	44,729
			*.2 ESR Cayman Ltd.	12,567,200	42,919
Brazil (2.3%)			MingYang Smart Energy Group Ltd. Class A	8,118,800	22,123
* Banco Bradesco SA ADR	34,531,766	150,213			758,149
Ambev SA ADR	34,321,000	95,412	Denmark (1.0%)		
Lojas Renner SA	6,012,300	44,716	Vestas Wind Systems A/S	1,792,154	73,911
* Cia de Saneamento Basico do Estado de Sao Paulo	4,086,300	32,182	Carlsberg A/S Class B	397,737	69,779
		322,523			143,690
Canada (2.9%)			Egypt (0.2%)		
Canadian Natural Resources Ltd.	3,628,109	110,129	* Commercial International Bank Egypt SAE (Registered) GDR	6,168,380	22,553
Suncor Energy Inc.	4,191,510	89,651	Finland (1.2%)		
Canadian National Railway Co.	491,509	52,916	Nokian Renkaat OYJ	1,925,150	71,677
Bank of Nova Scotia	735,558	46,839	Sampo OYJ Class A	1,424,216	67,557
Saputo Inc.	1,457,549	46,318	* Nokia OYJ	6,980,867	33,068
¹ Nutrien Ltd.	696,155	38,428			172,302
Alimentation Couche-Tard Inc. Class B	777,900	26,359	France (9.7%)		
		410,640	* Airbus SE	1,067,483	128,375
China (5.4%)			Sanofi	1,203,501	126,178
* Alibaba Group Holding Ltd.	6,655,600	192,398	* Engie SA	7,623,027	113,549
Tencent Holdings Ltd.	1,895,000	151,168	* Vinci SA	1,026,137	112,598
Ping An Insurance Group Co. of China Ltd. Class H	9,580,000	104,444	* Atos SE	1,542,318	105,031
ENN Energy Holdings Ltd.	5,284,900	90,185	Air Liquide SA	618,750	104,199
			* Safran SA	670,077	100,048
			* Vivendi SE	2,609,626	90,973
			* Societe Generale SA	3,027,883	86,135
			TOTAL SE	1,853,010	81,899
			* Alstom SA	1,335,179	72,916
			* Pernod Ricard SA	278,117	57,116
			* Accor SA	1,309,358	52,723
			* Credit Agricole SA	2,444,326	37,810
			Publicis Groupe SA	472,470	30,578

International Value Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Thales SA	233,464	23,801	Ambuja Cements Ltd.	15,088,549	62,822
* Natixis SA	3,560,935	17,388	UPL Ltd.	5,055,870	41,338
* Technip Energies NV	1,188,167	16,920	Hero MotoCorp Ltd.	615,006	23,386
		1,358,237	GAIL India Ltd.	9,815,836	18,132
Germany (5.3%)			Maruti Suzuki India Ltd.	169,720	14,767
Volkswagen AG					586,298
Preference Shares	533,437	138,886	Indonesia (1.2%)		
Henkel AG & Co. KGaA	889,060	88,330	Astra International Tbk.		
BASF SE	1,092,310	88,031	PT	193,215,500	73,429
Bayerische Motoren Werke AG	858,600	86,041	Bank Mandiri Persero Tbk. PT	120,818,200	51,440
Fresenius Medical Care AG & Co. KGaA	848,246	67,543	¹ Telkom Indonesia Persero Tbk. PT ADR	1,420,440	31,335
Merck KGaA	330,891	58,132	Selamat Sempurna Tbk. PT	157,710,200	14,357
Knorr-Bremse AG	419,155	51,378			170,561
Jungheinrich AG			Ireland (1.2%)		
Preference Shares	724,632	37,909	* Ryanair Holdings plc ADR	778,608	90,980
MTU Aero Engines AG	145,066	36,609	CRH plc	1,588,540	74,954
Continental AG	225,785	30,512			165,934
SAP SE	161,160	22,566	Israel (0.1%)		
FUCHS PETROLUB SE			* Check Point Software Technologies Ltd.	86,700	10,127
Preference Shares	414,898	22,093	Italy (1.6%)		
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen (Registered)	28,191	8,145	Enel SpA	9,648,521	95,803
¹ Fresenius SE & Co. KGaA	149,789	7,362	¹ UniCredit SpA	8,257,714	84,823
		743,537	* Freni Brembo SpA	3,590,532	44,686
Hong Kong (2.3%)					225,312
AIA Group Ltd.	6,409,200	81,349	Japan (10.3%)		
* Sands China Ltd.	12,078,400	57,156	Mitsubishi Electric Corp.	7,344,900	113,173
* Melco Resorts & Entertainment Ltd. ADR	2,496,729	48,162	Hitachi Ltd.	1,999,500	98,971
Yue Yuen Industrial Holdings Ltd.	14,260,000	35,689	Denso Corp.	1,416,500	91,581
Hongkong Land Holdings Ltd.	5,361,000	26,511	Toyota Motor Corp.	1,101,800	82,441
Xinyi Glass Holdings Ltd.	6,160,000	21,825	Shin-Etsu Chemical Co. Ltd.	452,400	76,366
CK Asset Holdings Ltd.	3,466,500	21,703	Nitto Denko Corp.	887,300	73,428
Jardine Matheson Holdings Ltd.	277,000	18,600	Kubota Corp.	3,088,000	72,648
² WH Group Ltd.	16,951,000	14,770	Makita Corp.	1,519,300	68,422
		325,765	Sumitomo Mitsui Financial Group Inc.	1,823,200	64,047
India (4.2%)			Nintendo Co. Ltd.	108,600	62,299
* Adani Ports & Special Economic Zone Ltd.	12,370,757	121,667	Shimano Inc.	231,700	52,979
* ICICI Bank Ltd. ADR	5,524,309	90,046	Fujitsu Ltd.	332,500	52,820
Zee Entertainment Enterprises Ltd.	31,168,513	77,919	Bridgestone Corp.	1,263,800	50,651
Housing Development Finance Corp. Ltd.	2,096,310	68,267	Ryohin Keikaku Co. Ltd.	2,350,600	49,506
Reliance Industries Ltd.	2,529,365	67,954	Daiwa House Industry Co. Ltd.	1,658,000	49,163
			Komatsu Ltd.	1,530,800	45,013
			Daito Trust Construction Co. Ltd.	400,000	42,533
			Suzuki Motor Corp.	964,200	36,588
			Subaru Corp.	1,818,000	33,803

International Value Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Ain Holdings Inc.	505,900	28,079	South Africa (0.8%)		
ITOCHU Corp.	894,800	27,935	Mr Price Group Ltd.	4,463,911	55,843
Mitsubishi Heavy Industries Ltd.	874,100	26,021	Tiger Brands Ltd.	3,843,234	51,636
Seven & i Holdings Co. Ltd.	586,300	25,314			107,479
Omron Corp.	312,400	23,657	South Korea (6.2%)		
Nihon Kohden Corp.	777,600	23,513	Samsung Electronics Co. Ltd.	4,074,051	296,939
Teijin Ltd.	1,227,300	20,207	POSCO	654,918	214,037
FANUC Corp.	84,200	19,390	Samsung Electronics Co. Ltd. GDR	81,190	147,934
Daiwa Securities Group Inc.	3,414,000	18,217	LG Household & Health Care Ltd.	38,583	53,288
* Japan Airlines Co. Ltd.	570,600	12,223	SK Telecom Co. Ltd.	157,480	42,893
		1,440,988	KB Financial Group Inc.	838,595	41,283
			Hana Financial Group Inc.	984,207	40,342
Mexico (0.8%)			Samsung SDS Co. Ltd.	195,054	31,988
Grupo Financiero Banorte SAB de CV	20,644,706	117,456			868,704
			Spain (1.2%)		
Netherlands (3.0%)			* Banco Santander SA	19,965,207	77,017
* AerCap Holdings NV	1,772,366	103,240	¹ Industria de Diseno Textil SA	1,352,808	48,134
Koninklijke DSM NV	430,816	77,245	* Banco Bilbao Vizcaya Argentaria SA	7,043,174	39,439
Wolters Kluwer NV	657,410	59,464			164,590
² ABN AMRO Bank NV	4,225,815	54,564	Sweden (0.9%)		
¹ SBM Offshore NV	3,035,920	52,699	¹ Sandvik AB	2,644,312	65,392
Aegon NV	8,867,307	41,094	Hexagon AB Class B	624,417	59,644
* Boskalis Westminster	1,086,826	34,689			125,036
		422,995	Switzerland (5.5%)		
Norway (1.7%)			* LafargeHolcim Ltd. (Registered)	2,922,655	180,350
Yara International ASA	1,276,180	66,568	Novartis AG (Registered)	1,909,958	162,989
Telenor ASA	3,393,229	60,451	ABB Ltd. (Registered)	3,946,829	128,202
Equinor ASA	2,479,005	50,058	Cie Financiere Richemont SA (Registered)	936,630	96,123
TGS NOPEC Geophysical Co. ASA	2,274,280	34,359	UBS Group AG (Registered)	4,743,711	72,439
Bakkafrost P/F	325,390	25,779	Swatch Group AG	166,110	50,914
		237,215	* Lonza Group AG (Registered)	77,796	49,456
Russia (0.4%)			Credit Suisse Group AG (Registered)	2,824,971	29,606
Gazprom PJSC ADR	5,828,905	35,345	³ Credit Suisse Group AG Rights Exp. 05/06/2021	2,824,971	—
* Fix Price Group Ltd. GDR	2,284,044	21,383			770,079
		56,728	United Kingdom (16.6%)		
Singapore (1.8%)			Anglo American plc	3,509,466	148,803
United Overseas Bank Ltd.	4,018,500	80,100	HSBC Holdings plc	20,770,035	129,730
DBS Group Holdings Ltd.	2,592,900	58,110	Lloyds Banking Group plc	205,217,206	128,688
Singapore Telecommunications Ltd.	28,787,900	54,010	RELX plc	4,787,799	124,222
Sembcorp Industries Ltd.	19,690,200	31,299			
* SATS Ltd.	6,992,400	21,273			
		244,792			

International Value Fund

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Compass Group plc	4,413,510	96,013	* Copa Holdings SA		
BP plc	22,823,353	95,547	Class A	1,053,500	91,128
IMI plc	3,782,220	83,113	Accenture plc Class A	302,094	87,598
Natwest Group plc	29,745,300	80,723	JBS SA	14,951,900	82,906
Smiths Group plc	3,569,330	80,161	RenaissanceRe		
Unilever plc	1,348,998	79,020	Holdings Ltd.	260,654	44,001
Taylor Wimpey plc	30,877,011	76,597	* TechnipFMC plc	5,940,838	43,962
* Weir Group plc	2,878,470	76,183			705,196
Prudential plc	3,439,626	72,832			
Berkeley Group					
Holdings plc	1,114,986	71,257			
* Travis Perkins plc	3,271,883	69,479	Total Common Stocks		13,211,829
Ferguson plc	525,297	66,254	(Cost \$10,407,770)		
Tesco plc	20,217,813	61,716	Temporary Cash Investments (6.7%)		
BHP Group plc	2,039,890	61,431	Money Market Fund (6.7%)		
Johnson Matthey plc	1,357,910	60,935	^{4,5} Vanguard Market		
Victrex plc	1,813,320	58,803	Liquidity Fund,		
Royal Dutch Shell plc			0.068%		
Class B	3,088,180	55,259	(Cost \$944,867)	9,449,204	944,920
Standard Life Aberdeen					
plc	14,386,310	55,132	Total Investments (101.0%)		14,156,749
Spectris plc	1,203,170	54,046	(Cost \$11,352,637)		
* easyJet plc	3,758,421	53,734	Other Assets and		
Barclays plc	20,805,443	50,369	Liabilities—Net (-1.0%)		(138,067)
Aggreko plc	3,984,509	47,475	Net Assets (100%)		14,018,682
* Glencore plc	11,474,085	46,739			
Diageo plc	995,160	44,674	Cost is in \$000.		
* Carnival plc	1,826,700	42,702	• See Note A in Notes to Financial Statements.		
Imperial Brands plc	1,818,229	37,898	* Non-income-producing security.		
* Allfunds Group plc	1,706,858	28,688	1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$124,776,000.		
Electrocomponents plc	1,823,960	26,845	2 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At April 30, 2021, the aggregate value was \$112,253,000, representing 0.8% of net assets.		
Direct Line Insurance			3 Security value determined using significant unobservable inputs.		
Group plc	5,486,918	21,589	4 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.		
Pearson plc	1,547,379	17,752	5 Collateral of \$133,757,000 was received for securities on loan.		
* Wickea Group plc	3,666,180	12,655	ADR—American Depositary Receipt.		
* Whitbread plc	213,697	9,581	GDR—Global Depositary Receipt.		
		2,326,645			
United States (5.0%)					
* Capri Holdings Ltd.	2,364,376	130,230			
Aon plc Class A	454,231	114,212			
Medtronic plc	849,057	111,159			

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<hr/> Long Futures Contracts				
E-mini S&P 500 Index	June 2021	36	7,514	391
MSCI EAFE Index	June 2021	1,886	212,863	1,194
MSCI Emerging Market Index	June 2021	1,490	99,577	52
				<hr/> 1,637

Statement of Assets and Liabilities

As of April 30, 2021

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$10,407,770)	13,211,829
Affiliated Issuers (Cost \$944,867)	944,920
Total Investments in Securities	14,156,749
Investment in Vanguard	504
Foreign Currency, at Value (Cost \$1,686)	1,686
Cash Collateral Pledged—Futures Contracts	19,620
Receivables for Investment Securities Sold	101,567
Receivables for Accrued Income	79,072
Receivables for Capital Shares Issued	12,568
Total Assets	14,371,766
Liabilities	
Due to Custodian	58,350
Payables for Investment Securities Purchased	135,124
Collateral for Securities on Loan	133,757
Payables for Capital Shares Redeemed	3,359
Payables to Investment Advisor	4,849
Payables to Vanguard	1,209
Variation Margin Payable—Futures Contracts	4,489
Deferred Foreign Capital Gains Taxes	11,947
Total Liabilities	353,084
Net Assets	14,018,682

At April 30, 2021, net assets consisted of:

Paid-in Capital	11,221,578
Total Distributable Earnings (Loss)	2,797,104
Net Assets	14,018,682

Net Assets

Applicable to 321,762,068 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	14,018,682
Net Asset Value Per Share	\$43.57

Statement of Operations

Six Months Ended
April 30, 2021

(\$000)

Investment Income	
Income	
Dividends ¹	169,679
Interest ²	331
Securities Lending—Net	279
Total Income	170,289
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	10,183
Performance Adjustment	(1,158)
The Vanguard Group—Note C	
Management and Administrative	12,313
Marketing and Distribution	439
Custodian Fees	230
Shareholders' Reports	66
Trustees' Fees and Expenses	2
Total Expenses	22,075
Net Investment Income	148,214
Realized Net Gain (Loss)	
Investment Securities Sold ²	492,496
Futures Contracts	36,171
Foreign Currencies	(3,312)
Realized Net Gain (Loss)	525,355
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ^{2,3}	2,795,642
Futures Contracts	8,443
Foreign Currencies	30
Change in Unrealized Appreciation (Depreciation)	2,804,115
Net Increase (Decrease) in Net Assets Resulting from Operations	3,477,684

1 Dividends are net of foreign withholding taxes of \$12,772,000.

2 Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$321,000, \$4,000, and (\$8,000), respectively. Purchases and sales are for temporary cash investment purposes.

3 The change in unrealized appreciation (depreciation) is net of the change in deferred foreign capital gains taxes of \$11,947,000.

Statement of Changes in Net Assets

	Six Months Ended April 30, 2021	Year Ended October 31, 2020
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	148,214	197,302
Realized Net Gain (Loss)	525,355	(495,757)
Change in Unrealized Appreciation (Depreciation)	2,804,115	(550,940)
Net Increase (Decrease) in Net Assets Resulting from Operations	3,477,684	(849,395)
Distributions		
Total Distributions	(189,189)	(308,988)
Capital Share Transactions		
Issued	2,480,213	2,047,882
Issued in Lieu of Cash Distributions	173,403	283,820
Redeemed	(1,331,851)	(2,125,218)
Net Increase (Decrease) from Capital Share Transactions	1,321,765	206,484
Total Increase (Decrease)	4,610,260	(951,899)
Net Assets		
Beginning of Period	9,408,422	10,360,321
End of Period	14,018,682	9,408,422

See accompanying Notes, which are an integral part of the Financial Statements.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended April 30,		Year Ended October 31,			
	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$32.48	\$36.63	\$35.86	\$39.26	\$32.30	\$33.22
Investment Operations						
Net Investment Income	.484 ¹	.684 ¹	1.104 ¹	.950 ¹	.781 ¹	.721
Net Realized and Unrealized Gain (Loss) on Investments	11.241	(3.723)	1.669	(3.607)	6.905	(.979)
Total from Investment Operations	11.725	(3.039)	2.773	(2.657)	7.686	(.258)
Distributions						
Dividends from Net Investment Income	(.635)	(1.111)	(.943)	(.743)	(.726)	(.662)
Distributions from Realized Capital Gains	—	—	(1.060)	—	—	—
Total Distributions	(.635)	(1.111)	(2.003)	(.743)	(.726)	(.662)
Net Asset Value, End of Period	\$43.57	\$32.48	\$36.63	\$35.86	\$39.26	\$32.30
Total Return²	36.32%	-8.69%	8.48%	-6.95%	24.33%	-0.67%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$14,019	\$9,408	\$10,360	\$9,524	\$9,964	\$7,873
Ratio of Total Expenses to Average Net Assets ³	0.35%	0.35%	0.37%	0.38%	0.40%	0.43%
Ratio of Net Investment Income to Average Net Assets	2.31%	2.05%	3.15%	2.41%	2.21%	2.29%
Portfolio Turnover Rate	20%	72%	38%	28%	34%	30%

The expense ratio and net investment income ratio for the current period have been annualized.

1 Calculated based on average shares outstanding.

2 Total returns do not include account service fees that may have applied in the periods shown. Fund prospectuses provide information about any applicable account service fees.

3 Includes performance-based investment advisory fee increases (decreases) of (0.02%), (0.02%), (0.01%), (0.01%), 0.00%, and 0.03%.

Notes to Financial Statements

Vanguard International Value Fund is registered under the Investment Company Act of 1940 as an open-end investment company, or mutual fund. The fund invests in securities of foreign issuers, which may subject it to investment risks not normally associated with investing in securities of U.S. corporations. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the fund and thus fund performance.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The fund consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the fund's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the fund's pricing time. When fair-value pricing is employed, the prices of securities used by a fund to calculate its net asset value may differ from quoted or published prices for the same securities. Investments in Vanguard Liquidity Fund are valued at that fund's net asset value. Temporary Cash Investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Foreign Currency:** Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the fund's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. **Futures Contracts:** The fund uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The fund may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the fund and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the fund trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The

clearinghouse imposes initial margin requirements to secure the fund's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any securities pledged as initial margin for open contracts are noted in the Schedule of Investments.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized gains (losses) on futures contracts.

During the six months ended April 30, 2021, the fund's average investments in long and short futures contracts represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

4. Federal Income Taxes: The fund intends to continue to qualify as a regulated investment company and distribute all of its taxable income. The fund's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the fund's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the fund's financial statements.

5. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis at the fiscal year-end and may differ from net investment income and realized capital gains for financial reporting purposes.

6. Securities Lending: To earn additional income, the fund lends its securities to qualified institutional borrowers. Security loans are subject to termination by the fund at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The fund further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the fund may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the fund; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the fund may experience delays and costs in recovering the securities loaned. The fund invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the fund is entitled to all distributions made on or in respect of the loaned securities.

7. Credit Facilities and Interfund Lending Program: The fund and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its

borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the fund's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the fund's board of trustees and included in Management and Administrative expenses on the fund's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative rate agreed to by the fund and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the fund may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the fund's investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended April 30, 2021, the fund did not utilize the credit facilities or the Interfund Lending Program.

8. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

Taxes on foreign dividends and capital gains have been provided for in accordance with the fund's understanding of the applicable countries' tax rules and rates. Deferred foreign capital gains tax, if any, is accrued daily based upon net unrealized gains. The fund has filed tax reclaims for previously withheld taxes on dividends earned in certain European Union countries. These filings are subject to various administrative and judicial proceedings within these countries. Such tax reclaims received during the year, if any, are included in dividend income. No other amounts for additional tax reclaims are reflected in the financial statements due to the uncertainty as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment.

B. The investment advisory firms Lazard Asset Management LLC, ARGAs Investment Management, LP, and Sprucegrove Investment Management Ltd. each provide investment advisory services to a portion of the fund for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fees of Lazard Asset Management LLC and ARGAs Investment Management, LP, are subject to quarterly adjustments based on performance relative to the MSCI All Country World Index ex US for the preceding five years. In accordance with the advisory contract entered into with Sprucegrove Investment Management Ltd., beginning November 1, 2021, the investment advisory fee will be subject to quarterly adjustments based on performance relative to the MSCI All Country World Index ex US.

Vanguard manages the cash reserves of the fund as described below.

For the year ended April 30, 2021, the aggregate investment advisory fee represented an effective annual basic rate of 0.16% of the fund's average net assets, before a decrease of \$1,158,000 (-0.02%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the fund, Vanguard furnishes to the fund corporate management, administrative, marketing, distribution, and cash management services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the fund based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the fund may invest up to 0.40% of its net assets as capital in Vanguard. At April 30, 2021, the fund had contributed to Vanguard capital in the amount of \$504,000, representing less than 0.01% of the fund's net assets and 0.20% of Vanguard's capital received pursuant to the FSA. The fund's trustees and officers are also directors and employees, respectively, of Vanguard.

D. Various inputs may be used to determine the value of the fund's investments and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the fund's investments and derivatives as of April 30, 2021, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks—North and South America	1,555,815	—	—	1,555,815
Common Stocks—Other	476,371	11,179,643	—	11,656,014
Temporary Cash Investments	944,920	—	—	944,920
Total	2,977,106	11,179,643	—	14,156,749
Derivative Financial Instruments				
Assets				
Futures Contracts ¹	1,637	—	—	1,637

¹ Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

E. As of April 30, 2021, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	11,353,064
Gross Unrealized Appreciation	3,098,426
Gross Unrealized Depreciation	(293,104)
Net Unrealized Appreciation (Depreciation)	2,805,322

The fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at October 31, 2020, the fund had available capital losses totaling \$639,349,000 that may be carried forward indefinitely to offset future net capital gains. The fund will use these capital losses to offset net taxable capital gains, if any, realized during the year ending October 31, 2021; should the fund realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended April 30, 2021, the fund purchased \$3,349,340,000 of investment securities and sold \$2,246,979,000 of investment securities, other than temporary cash investments.

G. Capital shares issued and redeemed were:

	Six Months Ended April 30, 2021	Year Ended October 31, 2020
	Shares (000)	Shares (000)
Issued	60,055	64,897
Issued in Lieu of Cash Distributions	4,428	7,593
Redeemed	(32,373)	(65,710)
Net Increase (Decrease) in Shares Outstanding	32,110	6,780

H. Management has determined that no events or transactions occurred subsequent to April 30, 2021, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangements

The board of trustees of Vanguard International Value Fund has renewed the fund's investment advisory arrangements with ARGA Investment Management, LP (ARGA), and Lazard Asset Management LLC (Lazard). The board determined that renewing the fund's advisory arrangements was in the best interests of the fund and its shareholders. As of April 30, 2021, ARGA, Lazard, and Sprucegrove Investment Management Ltd. are advisors to the fund.

The board based its decisions upon an evaluation of each advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisors and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics. The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangements. Rather, it was the totality of the circumstances that drove the board's decisions.

Nature, extent, and quality of services

The board reviewed the quality of the fund's investment management services over both the short and long term, and took into account the organizational depth and stability of each advisor. The board considered the following:

ARGA. ARGA is an independent investment management firm focused on global equities. The firm invests in businesses that it believes are undervalued based on its forecasts of long-term normalized earnings power and dividend-paying capabilities. ARGAs investment philosophy is based on the belief that investors overreact to short-term developments, leading to opportunities to generate gains from investing in great businesses at compelling valuations. Unlike classic value managers, ARGA does not rely specifically on regression to the mean. Its deep value-oriented process is designed to identify both company and systemic risk, stress-testing stocks to assess potential downside. The process is driven by bottom-up fundamental research completed by a team of business analysts leveraging the firm's proprietary industry models to select stocks that trade at a discount to intrinsic value. ARGA has managed a portion of the fund since 2012.

Lazard. Lazard, a subsidiary of the investment bank Lazard Freres & Co. LLC, provides investment management services for clients around the world in a variety of investment mandates, including international equities, domestic equities, and fixed income securities. The investment team at Lazard employs bottom-up stock selection to identify stocks with sustainable financial productivity and attractive valuations overlooked by most market participants. The investment process seeks to

take advantage of three types of market inefficiencies: compounders, mispriced companies, and restructuring. The investment process leverages collaboration between the portfolio management team and Lazard's global research platform, including an experienced team of global sector analysts who perform deep fundamental analysis of individual companies. Lazard has managed a portion of the fund since 2006.

The board concluded that each advisor's experience, stability, depth, and performance, among other factors, warranted approval of the advisory arrangements.

Investment performance

The board considered the short- and long-term performance of each advisor's subportfolio, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangements should continue.

Cost

The board concluded that the fund's expense ratio was well below the average expense ratio charged by funds in its peer group and that the fund's advisory fee rates were also well below the peer-group average.

The board did not consider the profitability of ARGAs or Lazard in determining whether to approve the advisory fees, because the firms are independent of Vanguard and the advisory fees are the result of arm's-length negotiations.

The benefit of economies of scale

The board concluded that the fund's shareholders benefit from economies of scale because of breakpoints in the fund's advisory fee schedule with ARGAs and Lazard. The breakpoints reduce the effective rate of the fees as the fund's assets managed by each firm increase.

The board will consider whether to renew the advisory arrangements again after a one-year period.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund’s liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors’ interests in the fund.

Assessment and management of a fund’s liquidity risk under the Program take into consideration certain factors, such as the fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Trustees’ Equity Fund approved the appointment of liquidity risk management program administrators responsible for administering Vanguard International Value Fund’s Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2020, through December 31, 2020 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the fund’s liquidity risk.

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You can review information about your fund on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.