

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Vanguard Managed Payout Fund		2 Issuer's employer identification number (EIN) 26-1141364	
3 Name of contact for additional information Vanguard Investor and Client Information	4 Telephone No. of contact 877-662-7447	5 Email address of contact online@vanguard.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 2600		7 City, town, or post office, state, and ZIP code of contact Valley Forge, PA 19482	
8 Date of action December 31, 2017		9 Classification and description Regulated Investment Company	
10 CUSIP number 92205M200	11 Serial number(s)	12 Ticker symbol VPGDY	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► Vanguard Managed Payout Fund ("The Fund") made cash distributions during the calendar year 2017 to its shareholders as follows:

2017 Record Date	Distribution Per Share	2017 Record Date	Distribution Per Share
January 17, 2017	\$0.0584	July 17, 2017	\$0.0584
February 15, 2017	\$0.0584	August 15, 2017	\$0.0584
March 15, 2017	\$0.0584	September 15, 2017	\$0.0584
April 17, 2017	\$0.0584	October 16, 2017	\$0.0584
May 15, 2017	\$0.0584	November 15, 2017	\$0.0584
June 15, 2017	\$0.0584	December 15, 2017	\$0.0584
		December 27, 2017	\$0.0175

For 2017, The Fund determined that a portion of these distributions constitute a non-taxable return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► Of The Fund's total cash distributions during 2017 to its shareholders of \$0.7183 per share, \$0.299962 is a nontaxable return of capital, reducing basis to the extent of the shareholder's adjusted basis in The Fund. To the extent that the return of capital exceeds the shareholder's adjusted basis, the distribution will be taxed as a capital gain to the shareholder.

2017 Record Date	Reduction in Basis Per Share	2017 Record Date	Reduction in Basis Per Share
January 17, 2017	\$0.024388	July 17, 2017	\$0.024388
February 15, 2017	\$0.024388	August 15, 2017	\$0.024388
March 15, 2017	\$0.024388	September 15, 2017	\$0.024388
April 17, 2017	\$0.024388	October 16, 2017	\$0.024388
May 15, 2017	\$0.024388	November 15, 2017	\$0.024388
June 15, 2017	\$0.024388	December 15, 2017	\$0.024388
		December 27, 2017	\$0.007308

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The calculation of the return of capital is based upon the The Fund's accumulated earnings and profits as of its fiscal year ended December 31, 2017. The amount of the return of capital should be applied against the shareholder's adjusted basis of the stock, reducing the basis until it is zero. The amount of the return of capital, if any, that exceeds a zero basis shall be treated as a gain from the sale or exchange of property.

Part II **Organizational Action** *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

Internal Revenue Code Sections 301(c) and 316(a).

18 Can any resulting loss be recognized? ► **Not applicable.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► **None.**

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



Date ►

1/11/18

Print your name ► **Deborah Perch**

Title ► **Director of Fund Tax**

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.