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New strategies and benchmarks for four Vanguard index funds and ETFs

Dear Vanguard Client,

As announced earlier this year, the boards of trustees of Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, Vanguard Emerging Markets Stock Index Fund, and Vanguard Developed Markets Index Fund have approved revised investment strategies for the funds and their exchange-traded funds (ETFs). As a result, the boards also have approved the adoption of new target indexes as shown in the table below.

The new indexes will add small-capitalization equity securities to the funds' portfolios. In addition, the new index for the Emerging Markets Stock Index Fund will add China A-shares* to the fund's portfolio. The board of trustees of the Developed Markets Index Fund has also approved the addition of the Canadian market to the fund's investment objective.

The trustees believe that the new indexes will provide enhanced diversification and result in a more comprehensive representation of each fund's market segment.

Vanguard fund and ETF	Current target index	New target index
European Stock Index Fund FTSE Europe ETF	FTSE Developed Europe Index	FTSE Developed Europe All Cap Index
Pacific Stock Index Fund FTSE Pacific ETF	FTSE Developed Asia Pacific Index	FTSE Developed Asia Pacific All Cap Index
Emerging Markets Stock Index Fund FTSE Emerging Markets ETF	FTSE Emerging Index	FTSE Emerging Markets All Cap China A Inclusion Index**
Developed Markets Index Fund FTSE Developed Markets ETF	FTSE Developed ex North America Index	FTSE Developed All Cap ex US Index***

*China A-shares are shares of Chinese companies that are traded locally on the Shanghai and/or Shenzhen stock exchanges. In order to invest in China A-shares, a foreign (i.e., not Chinese) investor must have access to a quota through a Qualified Foreign Institutional Investor (QFII) or a Renminbi QFII (RQFII) license holder. China A-shares are also available for purchase through the Shanghai-Hong Kong Stock Connect program. Investing in China A-shares involves unique risks related to tracking a benchmark index because a fund must obtain a quota from the Chinese regulator prior to investing and then must continue to apply for additional quotas to meet its investment needs.

**The Emerging Markets Stock Index Fund will use a transition index, the FTSE Emerging Markets All Cap China A Inclusion Transition Index, for a 12-month period before seeking to track its new target index.

***The Developed Markets Index Fund will use a transition index, the FTSE Developed All Cap ex US Transition Index, for a 6-month period before seeking to track its new target index.

The funds are expected to begin implementing the changes during the third and fourth quarters of 2015. The changes for the Emerging Markets Stock Index Fund and the Developed Markets Index Fund will take place in two phases. This timetable is intended to enable the funds' advisor, The Vanguard Group, Inc., to make the necessary adjustments to portfolio holdings in a manner that minimizes the impact to fund shareholders.

In the first phase, the Emerging Markets Stock Index Fund and the Developed Markets Index Fund will track transition indexes that will gradually increase exposure to small-cap stocks and either China A-shares or Canadian equities while proportionately reducing exposure to other stocks based on their weightings in the new indexes. In the second phase, the funds will begin seeking to track their new target indexes as indicated in the table on the previous page.

During the transition phase, the funds will invest by sampling the transition indexes, meaning they will hold a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics.

To help protect the funds from the potential for harmful "front running" by traders, the exact timing of the changes won't be disclosed to investors. In the meantime, the funds will continue seeking to track their current indexes.

The adjustments to the funds' portfolio holdings are expected to result in modest, temporary increases in transaction costs and turnover rate. It's important to note that actual transaction costs, turnover rate, and other costs will be highly dependent on a number of factors, including the market environment at the time of the portfolio adjustments. These changes aren't expected to increase the funds' expense ratios.

Additional information about the new target indexes is available at ftse.com/vanguard.

If you have any questions, call us at 800-662-2739 Monday through Friday from 8 a.m. to 10 p.m., Eastern time.

Sincerely,



Alba E. Martinez
Principal
Retail Investor Group

For more information about Vanguard funds or Vanguard ETFs, visit vanguard.com or call 800-662-2739 to obtain a prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund are contained in the prospectus; read and consider it carefully before investing.

Vanguard ETF Shares are not redeemable with the issuing fund other than in very large aggregations worth millions of dollars. Instead, investors must buy and sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

All investing is subject to risk, including the possible loss of the money you invest.

Diversification does not ensure a profit or protect against a loss. Investments in stocks issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks.