

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  <b>Vanguard Managed Payout Fund</b>		2 Issuer's employer identification number (EIN)  <b>26-1141364</b>	
3 Name of contact for additional information  <b>Vanguard Investor and Client Information</b>	4 Telephone No. of contact  <b>877-662-7447</b>	5 Email address of contact  <b>online@vanguard.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>P.O. Box 2600</b>		7 City, town, or post office, state, and Zip code of contact  <b>Valley Forge, PA 19482</b>	
8 Date of action  <b>December 31, 2016</b>		9 Classification and description  <b>Regulated Investment Company</b>	
10 CUSIP number  <b>92205M200</b>	11 Serial number(s)	12 Ticker symbol  <b>VPGDX</b>	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**

**2016 to its shareholders as follows:**

2016 Record Date	Distribution Per Share	2016 Record Date	Distribution Per Share
January 15, 2016	\$0.0589	July 15, 2016	\$0.0589
February 16, 2016	\$0.0589	August 15, 2016	\$0.0589
March 15, 2016	\$0.0589	September 15, 2016	\$0.0589
April 15, 2016	\$0.0589	October 17, 2016	\$0.0589
May 16, 2016	\$0.0589	November 15, 2016	\$0.0589
June 15, 2016	\$0.0589	December 15, 2016	\$0.0589
		December 27, 2016	\$0.36

For 2016, 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 2016 to its shareholders of \$1.0668 per share, \$0.321427 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.**

2016 Record Date	Reduction in Basis Per Share	2016 Record Date	Reduction in Basis Per Share
January 15, 2016	\$0.017747	July 15, 2016	\$0.017747
February 16, 2016	\$0.017747	August 15, 2016	\$0.017747
March 15, 2016	\$0.017747	September 15, 2016	\$0.017747
April 15, 2016	\$0.017747	October 17, 2016	\$0.017747
May 16, 2016	\$0.017747	November 15, 2016	\$0.017747
June 15, 2016	\$0.017747	December 15, 2016	\$0.017747
		December 27, 2016	\$0.108468

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 calendar year ended December 31, 2016. 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).**

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

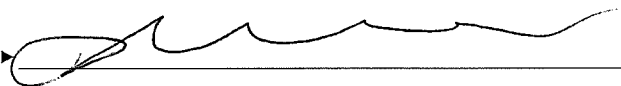
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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **None.**

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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.

**Sign Here**

Signature ▶  Date ▶ 1/11/17

Print your name ▶ **Deborah Perch** Title ▶ **Director of Fund Tax**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.