

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Vanguard Managed Payout Growth and Distribution 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	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 2600		5 Email address of contact online@vanguard.com	
8 Date of action December 31, 2012		7 City, town, or post office, state, and Zip code of contact Valley Forge, PA 19355	
9 Classification and description Regulated Investment Company - Investor Shares			
10 CUSIP number 92205M200	11 Serial number(s)	12 Ticker symbol VPGDX	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 Growth and Distribution Fund ("The Fund") made cash distributions during the calendar year 2012 to its shareholders as follows:**

2012 Record Date	Distribution Per Share	2012 Record Date	Distribution Per Share
January 17, 2012	\$0.0659	July 16, 2012	\$0.0659
February 15, 2012	\$0.0659	August 15, 2012	\$0.0659
March 15, 2012	\$0.0659	September 17, 2012	\$0.0659
April 16, 2012	\$0.0659	October 15, 2012	\$0.0659
May 15, 2012	\$0.0659	November 15, 2012	\$0.0659
June 15, 2012	\$0.0659	December 14, 2012	\$0.0659

On January 24, 2013, it was determined that 47.31% of these distributions was a 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 2012 to its shareholders of \$0.791 per share, \$0.374 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.**

2012 Record Date	Reduction in Basis Per Share	2012 Record Date	Reduction in Basis Per Share
January 17, 2012	\$0.031177	July 16, 2012	\$0.031177
February 15, 2012	\$0.031177	August 15, 2012	\$0.031177
March 15, 2012	\$0.031177	September 17, 2012	\$0.031177
April 16, 2012	\$0.031177	October 15, 2012	\$0.031177
May 15, 2012	\$0.031177	November 15, 2012	\$0.031177
June 15, 2012	\$0.031177	December 14, 2012	\$0.031177

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, 2012. 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.**

