

Fact sheet | 31 January 2016

Vanguard U.S. Investment Grade Credit Index Fund

An index-related fund

Key fund facts

	Inception date	Minimum initial investment	ISIN	SEDOL	Bloomberg
USD					
Investor	10.03.2015	100,000	IE00B04GQW76	B04GQW7	VANEIUU
Institutional	16.12.2004	5,000,000	IE00B04GQX83	B04GQX8	VANEIGU
Institutional Plus	06.12.2013	200,000,000	IE00BFPMB022	BFPMB02	VANEIUP
Institutional Plus Income	24.09.2015	200,000,000	IE00BZ04LP85	BZ04LP8	VANIPUS
EUR					
Investor	06.08.2008	100,000	IE00B04GQT48	B04GQT4	VANGCIV
Institutional	10.03.2015	5,000,000	IE00B04GQV69	B04GQV6	VANEIGE
Institutional Plus	19.12.2013	200,000,000	IE00BFPMB139	BFPMB13	VANEIPE
Institutional Plus Hedged	24.09.2015	200,000,000	IE00BZ04LQ92	BZ04LQ9	VANIPEH
CHF					
Institutional Plus Hedged	24.09.2015	200,000,000	IE00BZ04LR00	BZ04LR0	VANIPCH
GBP					
Accumulation Hedged	31.01.2014	100,000	IE00BFRDTC76	BFRDTC7	VANEIGA
Benchmark		Index ticker		Trading frequency (cut-off)	
Barclays Global Aggregate USD Credit Float Adjusted Bond Index		BGA3TRUU		Daily (14:00 Irish Time)	
Domicile		Investment structure		Settlement	
Ireland		UCITS		T+3	
Base currency		Total assets			
USD		USD (million) 1,423			
Investment manager					
The Vanguard Group, Inc. U.S. Bond Index Team					

Objective

The fund seeks to provide returns consistent with the performance of the index, a market-weighted bond index of US dollar-denominated investment-grade credit securities.

Investment strategy

The fund employs a passive management or indexing strategy designed to track the performance of the index. This market-weighted index is designed to reflect the universe of the US dollar-denominated investment-grade fixed-income securities, excluding US Treasury, US government-related and securitised securities. All issues have a maturity greater than one year.

Performance summary*

USD—Vanguard U.S. Investment Grade Credit Index Fund

	Institutional shares	Institutional Plus shares
	Net of expenses	Net of expenses
January 2011 – 2012	8.79%	—%
January 2012 – 2013	6.75	—
January 2013 – 2014	0.38	—
January 2014 – 2015	7.84	7.95
January 2015 – 2016	-2.16	-2.06

Ongoing charges**

	Ongoing Charges	Preset dilution levy on subscriptions	Preset dilution levy on redemptions
Investor	0.30 %	0.50 %	—
Accumulation Hedged	0.30 %	0.50 %	—
Institutional	0.25 %	0.50 %	—
Institutional Plus	0.15 %	0.50 %	—
Institutional Plus Hedged	0.15 %	0.50 %	—

Performance*

USD—Vanguard U.S. Investment Grade Credit Index Fund

Benchmark—Barclays Global Aggregate USD Credit Float Adjusted Bond Index

	Institutional shares			Institutional Plus shares		
	Net of expenses	Gross of expenses	Benchmark	Net of expenses	Gross of expenses	Benchmark
1 month	0.62 %	0.64 %	0.57 %	0.63 %	0.64 %	0.57 %
3 months	-0.37	-0.31	-0.35	-0.35	-0.31	-0.35
Year to date	0.62	0.64	0.57	0.63	0.64	0.57
1 year	-2.16	-1.91	-2.10	-2.06	-1.91	-2.10
3 years	1.93	2.20	1.98	—	—	1.98
5 years	4.23	4.52	4.30	—	—	4.30
10 years	5.08	5.39	5.10	—	—	—
Since inception	4.75	5.05	4.77	3.43	3.58	3.34

Key investment risks - The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. Funds investing in fixed interest securities carry the risk of default on repayment, erosion of the capital value of your investment and the level of income may fluctuate. Where investments are made in assets that are denominated in multiple currencies changes in exchange rates may affect the value of the investments.

*Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares. Basis of fund performance NAV to NAV with gross income reinvested. Basis of index performance is total return.

Barclays Global Aggregate USD Credit Float Adjusted Bond Index: Barclays Global Aggregate U.S. Credit Bond Index through 31 October 2006, Barclays U.S. Credit Bond Index (incl 144A & Eurodollar) through 30 June 2010 and Barclays Aggregate U.S. Credit Float Adjusted Bond Index (incl 144A & Eurodollar) thereafter.

**The Ongoing Charges Figure (OCF) covers administration, audit, depository, legal, registration and regulatory expenses incurred in respect of the Funds.

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Characteristics

	Fund	Benchmark
Number of bonds	5,105	8,073
Effective YTM	3.35%	3.36%
Average coupon	4.0%	4.0%
Average maturity	9.3 years	9.3 years
Average quality	A	A-
Average duration	6.1 years	6.1 years
Cash investment	-0.1%	—

Distribution by issuer (% of fund)

	Fund
Corporate - industrials	42.3%
Corporate - financial institutions	24.9
Government-related - agencies	10.2
Government-related - sovereign	5.4
Corporate - utilities	4.7
Government-related - supranationals	4.1
Government-related - local authority	3.4
Commercial mortgage backed security	2.7
Securitised	2.3
Total	100.0%

Distribution by credit quality (% of fund)

	Fund
AAA	13.0%
AA	11.9
A	34.1
BBB	41.1
Less than BBB	0.0
Not Rated	-0.1
Total	100.0%

Credit-quality ratings for each issue are obtained from Barclays using ratings derived from Moody's Investors Service, Fitch Ratings, and Standard & Poor's. When ratings from all three agencies are available, the median rating is used. When ratings are available from two of the agencies, the lower rating is used. When one rating is available, that rating is used.

Distribution by credit maturity (% of fund)

	Fund
Under 5 Years	45.9%
5 - 10 Years	30.5
Over 10 Years	23.6
Total	100.0%

Top country diversification

	Fund
United States	59.5%
Supranational	4.1
Canada	3.6
United Kingdom	3.5
Germany	2.9
China	2.3
France	2.2
Australia	2.1
Japan	2.0
Mexico	1.8
Total	84.0%

For more information contact your local sales team or:

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