

**Vanguard®**

Vanguard® Switzerland Stock Index Fund

An Index-Related Fund

30 June 2010

Investment objective

The fund seeks to provide returns consistent with the returns of Morgan Stanley Capital International ("MSCI") Switzerland Index.

Investment strategy

The fund employs a "passive management"—or indexing—investment strategy designed to track the performance of the index by investing in all, or a representative sample, of the securities that make up the index, holding each stock in approximate proportion to its weighting in the index.

Fund returns*

Vanguard Switzerland Stock Index Fund— CHF

	Institutional Shares		MSCI Switzerland in CHF
	Net of expenses	Gross of expenses	Institutional Shares
1 month	-2.67%	-2.64%	-2.68%
3 months	-9.45	-9.36	-9.60
Year to date	-4.18	-3.99	-4.26
1 year	15.78	16.25	15.88
3 years	-11.21	-10.85	-11.19
5 years	1.22	1.63	1.24
Since inception	2.62	3.03	2.68

Total expense ratio

	Institutional Shares
Administrative and other expenses	0.11%
Investment management expenses	0.29
Total expense ratio	0.40%

Fund facts

	Institutional Shares
Inception date	02 February 2004
CHF	
Purchase fee	0.05%
Redemption fee	0.00%
Fund codes (CHF)	
Bloomberg	VANSSII
ISIN	IE0007200417
Sedol	0720041
Valoren	1786405
Vanguard Fund Code	VSSIC
Minimum initial investment	500,000
CHF	
Domicile	Currencies
Ireland	CHF
Trading frequency	Settlement
Daily (16.00 GMT cutoff)	T+3
Total assets	Structure
USD (millions) 215	UCITS III
EUR (millions) 175	
CHF (millions) 231	

Investment Manager

The Vanguard Group, Inc. (Vanguard)

Christine Franquin
Portfolio manager.
Advised the fund since 2004.
Worked in investment management since 2000.
B.A., Universitaire Faculteiten Sint Ignatius, Antwerpen Belgium.
J.D., University of Liege Belgium.
Master of Science in Finance, Clark University, Massachusetts.

*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.

Vanguard® Switzerland Stock Index Fund

An Index-Related Fund

Quarterly fund commentary as at 30 June 2010

- During the second quarter, Swiss stocks dropped to a 10-month low on concerns that the sovereign debt crisis in Europe was expanding. The MSCI Switzerland Index lost 9.60% for the three months ended 30 June. The Vanguard Switzerland Stock Index Fund closely tracked its benchmark index.
- Financials, health care and industrials, which together averaged 64% of the index during the quarter, detracted the most in terms of sectors. Roche Holding (-13%), which continued to represent the majority of the health care sector, was the index's top detractor. Credit Suisse Group (-22%) and UBS (-16%), in the financial sector, were also key laggards.
- Although all sectors in the index posted negative returns for the second quarter, telecommunication services (-1.9%) and consumer staples (-3.0%), with a combined average index weight of approximately 25%, performed best. Swisscom (1%), a communication and multimedia firm, held strong in the face of the market decline, owing to the defensive nature of its business.
- For the 12 months ended 30 June 2010, the MSCI Switzerland Index returned 15.88%. Consumer staples, health care and financials were the top contributors for the period. Within the consumer staples sector, strong results from Nestlé (+32%), which represents 22% of the index, boosted returns. Within the health care sector, pharmaceutical company Novartis (+24%), which represents 14% of the index, provided additional gains after announcing that it would develop new technology for controlled-release medication.

All returns are based in Swiss francs.

Fund characteristics

	Switzerland Stock Index Fund	MSCI Switzerland Index
Number of stocks	37	37
Median market cap	\$111.6B	\$111.6B
Price/earnings ratio	15.0x	15.0x
Price/book ratio	2.2x	2.2x
Return on equity	19.0%	19.0%
Earnings growth rate	8.0%	8.0%
Cash investments	0.2%	—
Turnover rate	10%	—
Equity yield (dividend)	3.1%	3.1%

The PTR approach considers the total security purchases and sales, the total subscriptions and redemptions and the average net assets of the fund to calculate the turnover figure. Data as at 31 December 2009.

Ten largest holdings

	Switzerland Stock Index Fund
Nestle SA	23.6%
Novartis AG	14.4
Roche Holding AG	13.6
UBS AG	6.8
Credit Suisse Group AG	6.0
ABB Ltd.	5.5
Zurich Financial Services AG	4.6
Syngenta AG	3.1
Cie Financiere Richemont SA	2.6
Holcim Ltd.	2.3
Total	82.5%

Sector diversification (% of common stock)

	Switzerland Stock Index Fund	MSCI Switzerland Index
Consumer Discretionary	4.1%	4.1%
Consumer Staples	24.7	24.7
Financials	21.8	21.8
Health Care	31.3	31.3
Industrials	9.8	9.8
Information Technology	0.4	0.4
Materials	6.8	6.8
Telecommunication Services	1.1	1.1
Total	100.0%	100.0%

Volatility

	R-Squared	Beta
Institutional Shares	1.00	1.00

R-squared and beta are calculated from trailing 36-month fund returns relative to the MSCI Switzerland in CHF.

For more information

Web: <http://global.vanguard.com>
 Email (global): international@vanguard.com
 Email (Europe): client.service@vanguard.be
 Tel (global): +1 610 669 6705
 Tel (Europe): +32 (0) 2 357 3030

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. For any such funds or securities, the prospectus or the *Statement of Additional Information* contains a more detailed description of the limited relationship MSCI has with The Vanguard Group and any related funds.

The information contained herein does not constitute an offer or solicitation and may not be treated as an offer or solicitation in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. This provides information about sub-funds of Vanguard Investment Series plc. The performance data shown represent past performance. Past performance may not be a reliable guide to future performance. Changes in exchange rates may have an adverse effect on the value, price or income of a fund. Income may fluctuate in accordance with market conditions and taxation arrangements. The sale of Vanguard Investment Series plc funds is subject to conditions stipulated in the prospectus, supplements to the prospectus, simplified prospectuses, and, in some countries, local addenda. These documents can be obtained free of cost at the office of the administrator in JPMorgan House, International Financial Services Centre, Dublin 1, Ireland. These documents contain detailed information on the management, costs, possible limitations and investments risks associated with investing in the Vanguard Investment Series plc funds and should be carefully read before investing. Vanguard Investment Series plc has been authorised in Ireland as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 as amended. The difference between the sale and re-purchase price of units in Vanguard Investment Series plc (taking in account of possible portfolio transaction charges) means that any investment should be viewed as medium to long-term. Investors should also note that, in certain circumstances set out in the prospectus, a redemption charge may become payable. Vanguard Investments Europe SA is a Distributor of the Vanguard Investment Series plc.

For Professional Investors as defined under the MiFID Directive only. In Switzerland for Qualified Investors as defined in Switzerland by SFA only. Not for Public Distribution.