



Vanguard[®] U.S. Futures Fund

An Index-Related Fund

28 February 2011

Investment objective

The fund seeks to track the performance of the Standard & Poor's 500 Composite Stock Price Index (the "S&P 500 Index"), which measures the investment return of large-capitalisation U.S. stocks. It is a market-value weighted index, with each stock's weight in the index proportionate to its market value. The fund seeks capital appreciation by tracking the performance of the index by combining corresponding positions in equity-based derivatives and short-term bonds.

Investment strategy

The Investment Manager seeks to purchase equity-based derivatives that track the return of the index less the "cost of carry". Simultaneously, the Investment Manager seeks to construct a short-term bond portfolio that produces a return sufficient to mitigate the "cost of carry" on the equity-based derivatives portion of the portfolio.

Fund returns***Vanguard U.S. Futures Fund—USD**

	Investor Shares		S&P 500 Index	S&P 500 Net Total Return
	Net of expenses	Gross of expenses	Total Return Index ¹	Net Total Return Index ²
1 month	3.40%	3.42%	3.43%	3.36%
3 months	12.79	12.88	12.95	12.79
Year to date	5.80	5.85	5.88	5.77
1 year	22.02	22.39	22.58	21.85
3 years	1.62	1.93	2.19	1.50
5 years	2.25	2.55	2.87	2.22
Since inception	4.13	4.44	4.71	4.05

*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.

¹The S&P 500 Total Return Index represents price-plus-gross cash dividend return.

²The S&P 500 Net Total Return Index represents price-plus-net cash dividend return. Net cash dividend equals reinvested dividends less 30% withholding tax.

Total expense ratio

	Investor Shares
Administrative and other expenses	0.07%
Investment management expenses	0.23
Total expense ratio	0.30%

Fund facts

Inception date	01 November 2004
USD	
Purchase fee	0.00%
Redemption fee	0.00%
Fund codes (USD)	
Bloomberg	VANGUSF
CUSIP	G9318T370
ISIN	IE00B02YVC81
Sedol	B02YVC8
Valoren	1990597
Vanguard Fund Code	VFFVU
Minimum initial investment	
USD	500,000

Domicile	Ireland	Currencies	USD
Trading frequency	Daily (14.00 GMT cutoff)	Settlement	T+3
Total assets	USD (millions) 630	Structure	UCITS III
	EUR (millions) 456		

Investment Manager**The Vanguard Group, Inc. (Vanguard)**

Michael H. Buek, CFA, Principal
Portfolio manager.
Advised the fund since 2004.
Worked in investment management since 1987.
B.S., University of Vermont.
M.B.A., Villanova University.

David R. Glocke, Principal
Portfolio manager.
Advised the fund since 2009.
Worked in investment management since 1991.
B.S., University of Wisconsin.

Vanguard® U.S. Futures Fund

An Index-Related Fund

Quarterly fund commentary as at 31 December 2010

- The Standard & Poor's 500 Index returned 10.76% for the quarter, and the U.S. Futures Fund closely tracked the index. All sectors displayed positive returns with improved global recovery sentiment.
- Among sectors, energy (+21.5%), materials (+19.0%), and consumer discretionary (+12.6%) were leading contributors to the index's return for the quarter. In energy, Exxon Mobil (+19%), Schlumberger (+36%), and Chevron (+14%) were top performers. In materials, Freeport-McMoran Copper & Gold (+42%), Monsanto (+46%) and Dow Chemical (+25%) were top contributors.
- The fund's investment policy is to purchase equity-based derivatives that track the index's return, less the "cost-of-carry," or the costs incurred in holding those investments. The fund seeks to construct a short-term bond portfolio that produces a return sufficient to mitigate those costs. This strategy is designed to help non-U.S. investors earn an after-tax return that matches that of the S&P 500 Index. For the 12 months ended 31 December, the U.S. Futures' performance remained in line with that of its benchmark after accounting for fund expenses.
- For the 12 months ended 31 December, the S&P 500 Index returned 15.06%, with all sectors showing positive performance. Consumer discretionary (+27.5%), industrials (+26.9%) and energy (+20.4%) were top contributors.

All returns are based in U.S. dollars.

Fund characteristics

	S&P 500 Index
Number of stocks	500
Median market cap	\$49.7B
Price/earnings ratio	16.7x
Price/book ratio	2.3x
Return on equity	20.6%
Earnings growth rate	5.3%

Sector diversification (% of common stock)

	S&P 500 Index
Consumer Discretionary	10.6%
Consumer Staples	10.1
Energy	13.1
Financials	16.0
Health Care	10.7
Industrials	11.1
Information Technology	18.7
Materials	3.6
Telecommunication Services	2.9
Utilities	3.2
Total	100.0%

Fund characteristics

	U.S. Futures Fund
Number of bonds	157
Effective YTM	0.24
Average coupon	0.1%
Average maturity	0.1 years
Average quality	Aa2
Average duration	0.1 years

Distribution by credit quality

	U.S. Futures Fund
Moody's Quality	
Treasury/Agency	37.0
Aaa	0.0
Aa	63.0
A	0.0
Baa	0.0
Ba	0.0
B	0.0
Not Rated	0.0
Total	100.0%

Credit-quality ratings for each issue are obtained from Barclays Capital 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 issuer

	U.S. Futures Fund
Asset Backed Security	0.0
Commercial Mortgage Backed Security	0.0
Money Market	100.0
Finance	0.0
Foreign	0.0
Mortgage Backed Security	0.0
Industrial	0.0
Treasury/Agency	0.0
Utilities	0.0
Total	100.0%

Distribution by maturity

	U.S. Futures Fund
0 to 1 Year	100.0
1 to 3 Years	0.0
3 to 5 Years	0.0
More than 5 years	0.0
Total	100.0%

For more information
 Web: <http://global.vanguard.com>
 Email (International): international@vanguard.com
 Email (U.K.): uk_client_services@vanguard.co.uk
 Tel (International): +1 610 669 6705
 Tel (Europe): +353 1612 3226
 Tel (U.K.): +44 207 489 4305

Standard & Poor's® and S&P® are trademarks of The McGraw-Hill Companies, Inc., and have been licensed for use. Vanguard mutual funds are not sponsored, endorsed, sold, or promoted by Standard & Poor's, and Standard & Poor's makes no representation regarding the advisability of investing in the funds.

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested. The value of this investment may fall or rise as a result of changes in exchange rates. This fund invests in overseas markets and the value of this investment may fall or rise as a result of changes in exchange rates. Funds investing in fixed interest securities carry the risk of default on repayment and erosion of the capital value of your investment and the level of income may fluctuate. Movements in interest rates are likely to affect the capital value of fixed interest securities. Past performance is not a reliable indicator of future results.

The material contained in this document is not to be regarded as an offer to buy or sell or the solicitation of any offer to buy or sell securities 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. The information on this factsheet does not constitute legal, tax, or investment advice. You must not, therefore, rely on the content of this presentation when making any investment decisions. The Simplified Prospectus and Full Prospectus (including any supplements) for this fund are available from Vanguard Asset Management, Limited via our website <https://global.vanguard.com/>.

The Manager of Vanguard Investment Series plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management, Limited is a distributor of Vanguard Investment Series plc. Vanguard Investment Series plc has been authorised by the Financial Regulator in Ireland as a UCITS and has been registered for public distribution in certain EU countries. Prospective investors are referred to the Funds' prospectus for further information. Prospective investors are also urged to consult their own professional advisors on the implications of making an investment in, and holding or disposing shares of the Funds and the receipt of distributions with respect to such shares under the law of the countries in which they are liable to taxation. Issued by Vanguard Asset Management, Limited which is authorised and regulated in the UK by the Financial Services Authority.