

Vanguard Global Credit Bond Fund

Product brief

Objectives

Global credit exposure

Through a diversified portfolio of global credit bonds, the fund seeks to provide investors with a superior yield compared with strategies investing solely in government debt but with lower volatility than either high-yield bonds or equities. Global credit bonds are high-quality bonds from corporate issuers and supranational organizations around the world. These may include regional development banks and local authorities. The bonds are investment grade, which means the issuers are considered credit worthy and able to meet their debt obligations.¹

Risk-dampening bond portfolio

Like most fixed income portfolios, the fund aims to provide risk-dampening qualities to help offset the volatility of equities in an overall portfolio. High-quality credit can offer attractive risk-adjusted returns with the income stream, which help to offset a portfolio's return volatility.

Why Vanguard Global Credit Bond Fund

Actively managed

The fund is actively managed by Vanguard Fixed Income Group, a global leader in fixed income investing with over 35 years of experience and over £926 billion in assets under management globally.²

Global diversification

A global mandate allows portfolio managers greater opportunity to diversify the portfolio. As the performance of different countries and regions isn't always correlated and at times can vary significantly, this offers greater potential to lower volatility risk compared with country or regional mandates.

Lower relative risk

Our low-cost approach means that our fund managers don't have to take on greater risk to overcome the performance drag suffered by funds with higher expense ratios.

Low cost

The fund's low cost allows investors to keep more of their returns.

Key facts

Fund managers	Vanguard Fixed Income Group
Reference benchmark	Bloomberg Barclays Global Aggregate Credit index
Structure	Irish UCITS VCC
Ongoing charges figure	Investor "GBP" Hedged Accumulation Shares – 0.35% Investor "USD" Hedged Accumulation Shares – 0.35% Institutional "USD" Hedged Accumulation Shares – 0.30% Institutional "Euro" Hedged Accumulation Shares – 0.30%
Entry and exit charges	None
ISIN	IE00BYV1RG46 (Investor GBP Hedged Acc) IE00BYV1RD15 (Investor USD Hedged Acc) IE00BFMPP31 (Inst Euro Hedged Acc) IE00BF7MPN17 Institutional USD Hedged Acc

Risks

- The value of bonds and fixed income-related securities is affected by influential factors such as interest rates, inflation, credit spreads, and volatility, which in turn, are driven by other factors including political and economic news, company earnings, and significant corporate events.
- Movements in currency exchange rates can adversely affect the return of your investment. Currency hedging may be used but is not guaranteed to completely eliminate currency risk. Currency risk is the chance that currency hedging transactions may not perfectly offset the fund's foreign currency exposures and may eliminate any chance for a fund to benefit from favorable fluctuations in relevant currency exchange rates. The fund will incur expenses to hedge its currency exposures.
- Investment risk is concentrated in specific sectors, countries, currencies, or companies. This means the fund is more sensitive to any localized economic, market, political, or regulatory events.

For further information on risks please see the "Risk Factors" section of the prospectus on our website at global.vanguard.com.

¹ A high-quality bond is one whose credit quality is considered to be among the highest by independent bond-rating agencies. Investment-grade bonds are those with a credit rating of Baa3 or higher by Moody's or a credit rating of BBB– or higher by Standard & Poor's or Fitch.

² Source: Vanguard as of June 30, 2017.

Vanguard Global Credit Bond Fund is managed by Vanguard Fixed Income Group

- Manages more than £926 billion globally across a wide range of mandates, both active and indexed, as of June 30, 2017.
- Follows a hub-and-satellite formula in its decision-making process; satellite specializations, combined with multiple diversified sources of alpha, on a risk-controlled basis, aim to produce exceptional results.
- Benefits from a global presence, with local expertise from offices in London and Melbourne as well as the United States.
- Consists of more than 150 investment professionals, including portfolio managers, traders, analysts, researchers, and support staff.

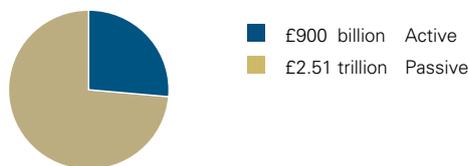
Risk management is a critical, integrated part of our investment process

Vanguard Risk Management Group:

- Supports the investment process by providing high-quality analysis, insight, and reporting that leads to informed risk taking and objective global risk management.
- Reports directly to Vanguard's chief investment officer to provide an additional, independent layer of risk control to the investment process.
- Is responsible for four primary risk management functions: investment risk, operational risk, quantitative research and analysis, and process excellence.

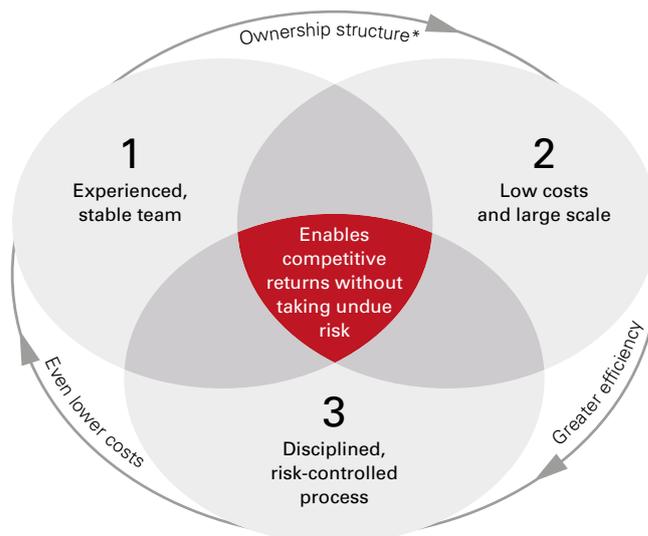
Vanguard Global AUM

Total assets under management: £3.42 trillion



Source: Vanguard as of June 30, 2017.

How our advantages support you



*What sets Vanguard apart – and lets us put investors first around the world – is the ownership structure of The Vanguard Group, Inc., in the United States. Rather than being publicly traded or owned by a small group of individuals, The Vanguard Group is owned by Vanguard's U.S.-domiciled funds and ETFs. Those funds, in turn, are owned by their investors.

This unique mutual structure aligns our interests with those of our investors and drives the culture, philosophy and policies throughout the Vanguard organization worldwide. As a result, investors benefit from Vanguard's stability and experience, low costs, and client focus.

Connect with Vanguard® > global.vanguard.com

Important information

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This document is designed for use by, and is directed only at persons resident in the UK.

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 in this document is general in nature and does not constitute legal, tax, or investment advice. Potential investors are urged to consult their professional advisers on the implications of making an investment in, holding or disposing of [units/shares] of, and the receipt of distribution from any investment.

The funds invest in securities which are denominated in different currencies. The value of these investments may fall or rise as a result of change 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. Corporate bonds may provide higher yields but as such may carry greater credit risk increasing the risk of default on repayment and erosion of the capital value of your investment. The level of income may fluctuate and movements in interest rates are likely to affect the capital value of bonds.

The funds may invest in financial derivative instruments that could increase or reduce exposure to underlying assets and result in greater fluctuations of the fund's net asset value. Some derivatives give rise to increased potential for loss where the fund's counterparty defaults in meeting its payment obligations.

Vanguard Investment Series plc has been authorised by the Central Bank of Ireland as 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 advisers 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.

The Manager of Vanguard Investment Series plc is Vanguard Group (Ireland) Limited. Vanguard Asset Management, Limited is a distributor of Vanguard Investment Series plc.

For further information on the funds' investment policy, please refer to the Key Investor Information Document (KIID). The KIID and the Prospectus for these funds is available from Vanguard via our website <https://global.vanguard.com/>.

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