



Vanguard U.S. Discoveries Fund

Key fund facts					
	Inception date	Minimum initial investment	ISIN	SEDOL	Bloomberg
USD					
Investor	01.07.2004	100,000	IE0034156459	3415645	VANUDVU
GBP					
Investor	19.12.2006	100,000	IE00B1L8DT90	B1L8DT9	VANUDVS
Benchmark		Index ticker		Trading frequency (cut-off)	
Russell Microcap Growth Index		RU20GRTR		Daily (16:00 Irish Time)	
Domicile		Investment structure		Settlement	
Ireland		UCITS		T+3	
Base currency		Total assets			
USD		USD (million) 115			
Investment manager					
The Vanguard Group, Inc. Granahan Investment Management, Inc.					

Objective

The fund seeks to provide long-term capital growth. Effective 3 March 2014, Vanguard U.S. Discoveries Fund is closed to all new accounts: existing shareholders can still make additional share purchases.

Investment strategy

The fund employs an active management strategy to invest mainly in US stocks. The fund invests in stocks of small companies that tend to be unseasoned but are considered by the fund's Sub-Investment Manager, Granahan Investment Management, Inc., ("Granahan") to have superior growth potential. Also, these companies often provide little or no dividend income.

Performance summary*

USD—Vanguard U.S. Discoveries Fund

	Investor shares Net of expenses
August 2011 – 2012	18.08%
August 2012 – 2013	33.41
August 2013 – 2014	22.00
August 2014 – 2015	4.02
August 2015 – 2016	1.95

Ongoing charges**

	Ongoing Charges	Preset dilution levy on subscriptions	Preset dilution levy on redemptions
Investor	0.85 %	—	—

Performance*

USD—Vanguard U.S. Discoveries Fund

Benchmark—Spliced Russell Microcap Growth Index

	Net of expenses	Gross of expenses	Investor shares Benchmark
1 month	1.25%	1.32%	1.96%
3 months	11.71	11.95	5.46
Year to date	8.18	8.80	1.07
1 year	1.95	2.82	-3.39
3 years	8.96	9.90	5.71
5 years	15.30	16.29	12.20
10 years	10.55	11.49	5.63
Since inception	10.18	11.12	5.99

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. 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.

Spliced Russell Microcap Growth Index: Spliced Russell Microcap Growth Index reflects the performance of the Russell 2000 Growth Index through 29 June 2006; Russell Microcap Growth Index 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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Vanguard U.S. Discoveries Fund

Characteristics

	Fund	Benchmark
Number of stocks	69	880
Median market cap	\$0.8B	\$0.5B
Price/earnings ratio	-911.6x	125.9x
Price/book ratio	2.6x	3.5x
Return on equity	5.8%	8.6%
Earnings growth rate	4.1%	8.3%
Cash investments	2.9%	—
Turnover rate	16%	—
Equity yield (dividend)	0.6%	0.6%

The PTR (Portfolio Turnover Rate) 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 30 June 2016.

Top 10 holdings

	Fund
NeoGenomics Inc.	3.0%
Calavo Growers Inc.	2.8
Kaman Corp.	2.7
TASER International Inc.	2.6
SodaStream International Ltd.	2.6
CONMED Corp.	2.5
STAG Industrial Inc.	2.5
Modine Manufacturing Co.	2.4
Albany International Corp.	2.4
Douglas Dynamics Inc.	2.3
Total	25.8%

Top 10 Holdings for actively managed funds are published quarterly.

Weighted exposure

	Fund	Benchmark
Consumer Discretionary	9.2%	13.5%
Consumer Staples	2.4	3.0
Energy	0.4	1.1
Financials	6.2	8.3
Health Care	41.2	37.5
Industrials	24.4	10.5
Information Technology	15.0	20.2
Materials	1.1	3.0
Telecommunication Services	0.0	1.9
Utilities	0.0	1.0
Total	100.0%	100.0%

For more information contact your local sales team or:

Web: <http://global.vanguard.com>

Transfer Agent (Europe): Tel. +353 1 241 7144

Client Services (Europe): Tel. +44 (0)203 753 4305

Email: european_client_services@vanguard.co.uk

Source: The Vanguard Group, Inc.

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The value of Investments, and the income from them, may fall or rise and investors may get back less than they invested.

For further information on the fund's investment policy, please refer to the Key Investor Information Document ("KIID"). The KIID and the Prospectus for this fund are available in local languages from Vanguard Asset Management, Limited via our website <https://global.vanguard.com/>.

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

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