

The Directors of the Company whose names appear in the Company's Prospectus in the section headed "The Company – The Directors and Secretary" accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the said information is accurate in all material respects and does not omit anything likely to affect the accuracy thereof.

# **Vanguard Investment Series plc**

## **(the "Company")**

### **Vanguard European Stock Index Fund**

#### **(the "Fund")**

#### **Addendum dated 12 March 2007 to the Fund Supplement dated 9 October 2006 (the "Supplement")**

**This Addendum forms part of, and is to be read in conjunction with, the Company's Prospectus dated 9 October 2006 (the "Prospectus") and the Supplement. All capitalised terms used herein shall have the meanings set-out in the Prospectus and Supplement.**

The Supplement shall be amended so that:

- (a) the reference to the Purchase Fee in the table on page 6 and its footnote is amended to read as follows:

	<b>Investor Shares</b>	<b>Institutional Shares</b>
Purchase Fee: <sup>1</sup> (maximum)	0.20%	0.20%

<sup>1</sup> The Fund may charge a 0.20% transaction fee on purchases of Shares to offset the higher cost of trading securities. The transaction fee ensures that these higher costs are borne by the investors making the transaction and not by the Shareholders already in the Fund. All fees are paid directly to the Fund itself, unlike a sales load, which normally ends up in the pocket of the sponsor, advisor or sales representative. Without transaction fees, the Fund would have trouble tracking its target Index.

- (b) the first sentence of the second paragraph under Purchase Price on page 14 shall be amended to read as follows:

A portfolio transaction fee of up to 0.20% of the subscription proceeds may be charged, which is payable out of the subscription proceeds.

# Vanguard® Investment Series plc

**SIMPLIFIED PROSPECTUS** *Dated 9 October 2006 to  
Prospectus Dated 9 October 2006*

## **Vanguard® European Stock Index Fund An Index-Related Fund**

(a sub fund of Vanguard Investment Series plc, an umbrella fund with segregated liability between sub-funds)

**Manager • Vanguard Group (Ireland) Limited**  
(ultimately a wholly owned subsidiary of The Vanguard Group, Inc.)

# VANGUARD® EUROPEAN STOCK INDEX FUND

## An Index-Related Fund

(a sub-fund of Vanguard Investment Series plc)

### Simplified Prospectus

#### 9 October 2006

This Simplified Prospectus contains key information in relation to Vanguard Investment Series plc (the "Company") and to Vanguard European Stock Index Fund (the "Fund"), which is a separate sub-fund of the Company. The Company is an open-ended investment company with variable capital incorporated in Ireland on 4 March 1998 and authorised by the Irish Financial Services Regulatory Authority on 25 March 1998 and regulated as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2003, as amended. The Company has 27 sub-funds, namely: Vanguard Asia Pacific Investment Grade Credit Index Fund, Vanguard Emerging Markets Stock Index Fund, Vanguard Euro Government Bond Index Fund, Vanguard Euro Investment Grade Bond Index Fund, Vanguard European Stock Index Fund, Vanguard Eurozone Inflation-Linked Bond Index Fund, Vanguard Eurozone Stock Index Fund, Vanguard Global Bond Index Fund, Vanguard Global Government Bond Index Fund, Vanguard Global Government Bond Index Completion Fund, Vanguard Global Stock Index Fund, Vanguard Japan Government Bond Index Fund, Vanguard Japan Stock Index Fund, Vanguard North America Stock Index Fund, Vanguard Pacific ex-Japan Stock Index Fund, Vanguard Prime Liquidity Money Market Fund, Vanguard Short-Term U.S. Government Bond Index Fund, Vanguard Switzerland Stock Index Fund, Vanguard U.K. Stock Index Fund, Vanguard U.S. Discoveries Fund, Vanguard U.S. Fundamental Value Fund, Vanguard U.S. Futures Fund, Vanguard U.S. Government Bond Index Fund, Vanguard U.S. Investment Grade Credit Index Fund, Vanguard U.S. Opportunities Fund, Vanguard U.S. Securitised Bond Index Fund and Vanguard U.S. 500 Stock Index Fund.

Potential investors are advised to read the Prospectus for the Company dated 9 October 2006 ("Prospectus") and Fund Supplement dated 9 October 2006 before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus.

The base currency of the Fund is the U.S. dollar.

#### **Investment Objective:**

The Fund seeks to provide long-term growth of capital by tracking the performance of the Morgan Stanley Capital International Europe Index (the "Index"), which is made up of common stocks of companies located in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

#### **Investment Policy:**

The Fund employs a "passive management"—or indexing—investment strategy designed to track the performance of the Index by investing 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.

The Fund's investment policy is to remain substantially fully invested in common stocks. At least two-thirds of the net assets of the Fund (without taking into account ancillary liquid assets) shall at all times be invested in equities contained in the Index. Up to one-third of the net assets of the Fund (without taking into account ancillary liquid assets) may, in the aggregate, be invested in convertible securities, equity-linked notes and short-term fixed income securities. These securities may originate from an issuer that may or may not be contained in the Index. Investments in convertible securities shall not exceed 25% of the net assets of the Fund.

The Fund may invest in short-term fixed income securities due to its uncommitted cash balances and to maintain liquidity to meet Shareholder redemptions.

The Fund may use certain financial derivative instruments for the purpose of efficient portfolio management.

#### **Risk Profile:**

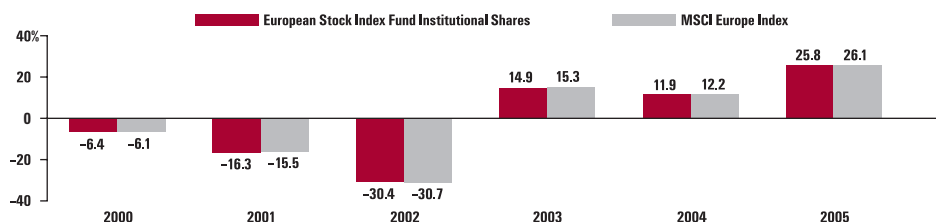
The Fund is designed as a low-risk investment, but you could still lose money by investing in it. The value of the Shares, and the income from them, may go up or down, and the investors may not get back the amount they invested.

The Fund is subject to certain risks, namely country risk, currency risk, investment style risk and stock market risk, which could hurt its investment performance.

A more detailed description of the risk factors that apply to the Fund is set out in the Fund Supplement.

**Performance Data:**

The following bar chart is intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund's U.S. dollar-denominated Institutional Shares has varied from one calendar year to another over the periods shown.

**Total Investment Returns (%)** 14 September 1998–31 December 2005 (U.S. Dollar-Denominated)

**This chart is for illustrative purposes only; you should not regard past performance as an indication of future performance. The data excludes redemption and subscription fees and is calculated net of tax and fund charges.**

**Cumulative Average Performance (%)** 14 September 1998–31 December 2005 (U.S. Dollar-Denominated)

	<b>One Year</b>	<b>Five Years</b>	<b>Since Inception<sup>1</sup></b>
European Stock Index Fund Institutional Shares	9.17%	18.24%	39.28%
MSCI Europe Index	9.41%	19.91%	41.10%

<sup>1</sup> 14 September 1998.

Note 1: Fund performance figures in the table above are adjusted for the 0.25% transaction fee on purchases.

Note 2: Actual returns may vary depending on the Share Class purchased.

**Profile of a Typical Investor:**

- Investors seeking long-term growth of capital.
- Investors with a long-term investment horizon (at least five years).

**Distribution Policy:**

The Directors do not intend to declare a dividend. Accordingly, the Fund's income and capital gains are reflected in its Net Asset Value per Share.

**Fees and Expenses:**

	<b>Investor Shares</b>	<b>Institutional Shares</b>
<b>SHAREHOLDER FEES</b> ( <i>fees directly from your investment</i> )		
Sales Charge (Load) Imposed on Purchases:	None	None
Purchase Fee (Maximum): <sup>1</sup>	0.25%	0.25%
Exchange Fee:	None	None
Redemption Fee: <sup>2</sup>	None	None
<b>ANNUAL FUND OPERATING EXPENSES<sup>3</sup></b> ( <i>expenses deducted from the fund's assets</i> )		
Investment Management Expenses:	0.29%	0.29%
Administrative and Other Expenses:	0.21%	0.11%
<b>Total Annual Fund Operating Expenses (Total Expense Ratio):</b>	<b>0.50%</b>	<b>0.40%</b>

**The portfolio turnover rate for the period ended 31 December 2005 was 6.9%<sup>4</sup>.**

<sup>1</sup> The Fund may charge a 0.25% transaction fee on purchases of Shares to offset the higher cost of trading securities. The transaction fee ensures that these higher costs are borne by the investors making the transaction and not by the Shareholders already in the Fund. All fees are paid directly to the Fund itself, unlike a sales load, which normally ends up in the pocket of the sponsor, advisor or sales representative. Without transaction fees, the Fund would have trouble tracking its target index.

<sup>2</sup> The Fund may charge a 1.00% redemption fee on Shares redeemed by any Shareholder within 90 days from the Business Day on which the Shares were issued.

<sup>3</sup> All percentages are expressed as a percentage of the average Fund Net Asset Value. All annual fund operating expenses are paid by the Fund.

<sup>4</sup> Turnover under the regulatory calculation methodology considers share capital activity which can result in a negative figure.

All matrix based on data from the period 1 January 2005 to 31 December 2005.

**Taxation:**

The Company is resident in Ireland for tax purposes and is not subject to Irish taxation charges on income or capital gains. No Irish stamp duty is payable on the issue, redemption or transfer of Shares in the Company.

**Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.**

**Publication of Share Price:**

The Net Asset Value per Share of the Fund is published daily in *The Financial Times*, *Het Financieele Dablad*, *L'Echo*, *Tageblatt*, *De Tijd*, *WirtschaftsBlatt*, and is also available from the office of the Administrator, J.P. Morgan Administration Services (Ireland) Limited.

**How to Buy/Sell Units/Shares:**

You can buy, sell or exchange Shares on a daily basis directly from:

Vanguard Investment Series plc—Vanguard European Stock Index Fund  
% J.P. Morgan Administration Services (Ireland) Limited  
JP Morgan House  
International Financial Services Centre  
Dublin 1  
Ireland

Telephone: 353-1-612-3226

Fax: 353-1-612-3067

Email: **international@vanguard.com**

Hours of Business: 9.00 a.m. to 5.00 p.m. (Irish time) Monday–Friday.

**Minimum Initial Subscription**

*Investor Shares*—\$100,000 or €100,000

*Institutional Shares*—\$5 million or €5 million

**Minimum Additional Subscription**

*Investor Shares*—\$5,000 or €5,000

*Institutional Shares*—\$5,000 or €5,000

**Additional Important Information:**

<b>Management Company:</b>	Vanguard Group (Ireland) Limited—JPMorgan House, as below
<b>Custodian:</b>	J.P. Morgan Bank (Ireland) plc—JPMorgan House, as below
<b>Investment Manager:</b>	The Vanguard Group®, Inc.
<b>Sub-Investment Manager:</b>	Vanguard Investments Europe® SA
<b>Administrator:</b>	J.P. Morgan Administration Services (Ireland) Limited
<b>Promoter:</b>	The Vanguard Group, Inc.
<b>Distributor:</b>	Vanguard Investments Europe® SA
<b>Auditor:</b>	PricewaterhouseCoopers—George's Quay, Dublin 2, Ireland

Additional information, including the calculation of the portfolio turnover rate, in this and previous years, and copies of the Prospectus, Fund Supplement and the latest annual and half yearly reports may be obtained (free of charge) during normal business hours from:

Vanguard Investment Series plc  
% J.P. Morgan Administration Services (Ireland) Limited  
JP Morgan House  
International Financial Services Centre  
Dublin 1  
Ireland

Telephone: 353-1-612-3226

Fax: 353-1-612-3067

Email: **international@vanguard.com**

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