

# Vanguard Short-Term Investment-Grade Inv VFSTX

## Investment Summary

Data as of 12/31/2015    Currency USD    Benchmark 1 S&P 500 TR    Benchmark 2 —

### Trailing Return

|       | Total Return % | +/- BM1 | +/- BM2 | Cat % Rank |
|-------|----------------|---------|---------|------------|
| 1 Mo  | -0.37          | —       | —       | 68         |
| 3 Mo  | -0.30          | —       | —       | 35         |
| 6 Mo  | 0.12           | —       | —       | 10         |
| YTD   | 1.03           | —       | —       | 7          |
| 1 Yr  | 1.03           | —       | —       | 7          |
| 3 Yr  | 1.25           | —       | —       | 11         |
| 5 Yr  | 2.03           | —       | —       | 21         |
| 10 Yr | 3.46           | —       | —       | 22         |
| 15 Yr | 3.75           | —       | —       | 26         |

### Ratings as of 12/31/2015

|                     | Overall | 3 Year | 5 Year | 10 Year |
|---------------------|---------|--------|--------|---------|
| Rating              | 4★      | 5★     | 4★     | 4★      |
| Risk                | —       | 0.02   | 0.02   | 0.07    |
| Return              | —       | 1.20   | 1.98   | 2.25    |
| # Investments Rated | 493     | 493    | 406    | 278     |

### Risk/Reward

| vs Benchmark 1    | 3 Year | 5 Year | 10 Year |
|-------------------|--------|--------|---------|
| Alpha             | —      | —      | —       |
| Beta              | —      | —      | —       |
| R-Squared         | —      | —      | —       |
| Tracking Error    | —      | —      | —       |
| Information Ratio | —      | —      | —       |
| Excess Return     | —      | —      | —       |

| Miscellaneous      | 3 Year | 5 Year | 10 Year |
|--------------------|--------|--------|---------|
| Standard Deviation | 1.23   | 1.31   | 2.55    |
| Sharpe Ratio       | 0.98   | 1.51   | 0.90    |
| Sortino Ratio      | 1.65   | 2.95   | 1.36    |

### Manager Information

Gregory Nassour, CFA. Since 5/2008. B.S. West Chester University. M.B.A. St. Joseph's University.

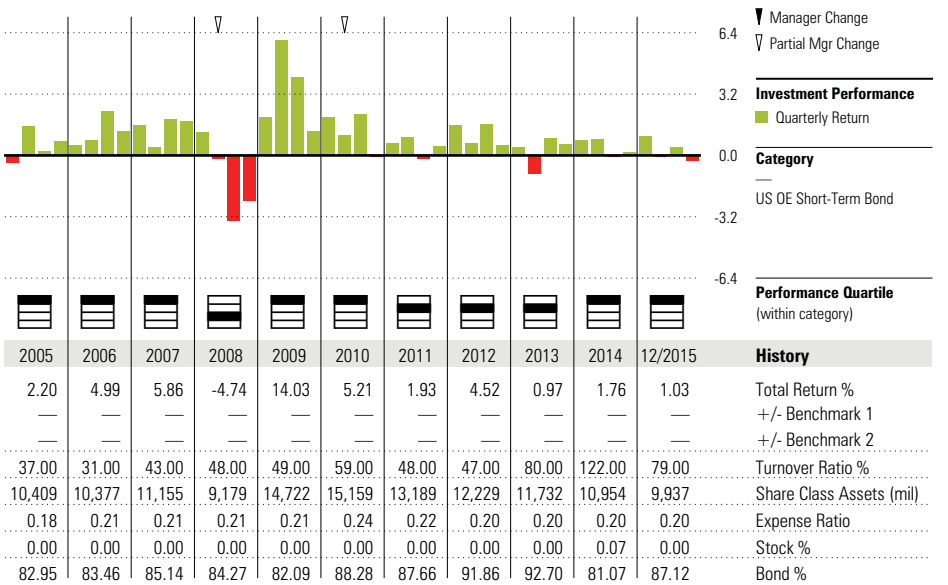
### Investment Strategy

The investment seeks to provide current income while maintaining limited price volatility. The fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities, at least 80% of which will be short- and intermediate-term investment-grade securities. High-quality fixed income securities are those rated the equivalent of A3 or better; medium-quality fixed income securities are those rated the equivalent of Baa1, Baa2, or Baa3.

### Operations

|                            |                          |
|----------------------------|--------------------------|
| Minimum Initial Investment | 3000                     |
| Inception Date             | 10/29/1982               |
| Management Fees            | Actual: 0.18% Max: 0.18% |
| Sales Fees                 | —                        |
| Firm Name                  | Vanguard                 |
| Telephone                  | 800-662-7447             |
| Web Address                | www.vanguard.com         |

### Performance



### Holding Analysis as of 9/30/2015

| Net %        | #            | Top Holdings as of 9/30/2015     | Style | Mkt Cap   | % Mkt      |
|--------------|--------------|----------------------------------|-------|-----------|------------|
| Cash         | 12.7         | US Treasury Note 0.625%          | Box   | USD (mil) | Val        |
| Stock        | 0.0          | US Treasury Note 1%              | —     | —         | 1.50       |
| Bond         | 87.1         | US Treasury Note 1%              | —     | —         | 1.00       |
| Other        | 0.1          | US Treasury Note 0.625%          | —     | —         | 0.80       |
| <b>Total</b> | <b>100.0</b> | US Treasury Note 1%              | —     | —         | 0.75       |
|              |              | US Treasury Note 0.875%          | —     | —         | 0.69       |
|              |              | US Treasury Note 0.875%          | —     | —         | 0.60       |
|              |              | US Treasury Note 1%              | —     | —         | 0.40       |
|              |              | US Treasury Note 1.25%           | —     | —         | 0.36       |
|              |              | Republic Of Turkey 7.5%          | —     | —         | 0.30       |
|              |              | Pemex Proj Fdg Master Tr 0...    | —     | —         | 0.29       |
|              |              | General Elec 5.25%               | —     | —         | 0.27       |
|              |              | Cvs Health 2.8%                  | —     | —         | 0.25       |
|              |              | Abbvie 1.8%                      | —     | —         | 0.24       |
|              |              | Bk Amer 2.6%                     | —     | —         | 0.23       |
|              |              | Goldman Sachs Grp 5.95%          | —     | —         | 0.22       |
|              |              | Ford Credit Flrpln Tr A 2012-... | —     | —         | 0.22       |
|              |              | Discover Card Exe Tr 2012-5...   | —     | —         | 0.22       |
|              |              | Bnp Paribas / Bnp Paribas Us ... | —     | —         | 0.21       |
|              |              | Arc Properties Operating 2%      | —     | —         | 0.21       |
|              |              | Deutsche Bk Ag London 6%         | —     | —         | 0.20       |
|              |              | <b>Top 20 holdings</b>           |       |           | <b>8.9</b> |

### Equity Style %

| Market Cap           | % |
|----------------------|---|
| Giant                | — |
| Large                | — |
| Mid                  | — |
| Small                | — |
| Micro                | — |
| Avg Market Cap (mil) | — |

| Value Factors   | % | Growth Factors | % |
|-----------------|---|----------------|---|
| Price/Earnings  | — | LT Earn Gr     | — |
| Price/Book      | — | Hist Earn Gr   | — |
| Price/Sales     | — | Book Val Gr    | — |
| Price/Cash Flow | — | Sales Gr       | — |
| Dividend Yield  | — | Cash Flow Gr   | — |

### Fixed Income Style

|                                 | %       |
|---------------------------------|---------|
| Avg Eff Duration <sup>1</sup>   | 2.6 Yrs |
| Avg Eff Maturity <sup>1</sup>   | 3.1 Yrs |
| Avg Credit Quality <sup>1</sup> | A       |
| Avg Wtd Coupon <sup>1</sup>     | 3.18%   |
| Avg Wtd Price                   | 103.18  |
| <sup>1</sup> as of 9/30/2015    |         |

| Credit Rating Breakdown | %    | Maturity Breakdown | %    |
|-------------------------|------|--------------------|------|
| AAA                     | 27.0 | 1-3                | 45.1 |
| AA                      | 14.4 | 3-5                | 31.3 |
| A                       | 34.6 | 5-7                | 6.1  |
| BBB                     | 21.2 | 7-10               | 2.1  |
| BB                      | 1.6  | 10-15              | 1.8  |
| B or Below B            | 0.2  | 15-20              | 1.3  |
| Not Rated               | 1.1  | 20-30              | 2.9  |
|                         |      | 30+                | 9.4  |