

Vanguard Small Cap Value Index

Overall Morningstar Rating™
★★★
 Out of 321 Small Value funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return Average

Morningstar Risk Average

Investment Strategy from investment's prospectus

The investment seeks to track the performance of a benchmark index that measures the investment return of small-capitalization value stocks.

The fund employs a passive management investment approach designed to track the performance of the MSCI US Small Cap Value index, a broadly diversified index of value stocks of smaller U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Category Description: Small Value

Small-value funds invest in small-caps with valuations and growth rates below other small-cap peers. They tend to invest in manufacturing, financial, and energy sectors.

Broad Asset Class: Small Cap Stocks

Shares of ownership in small corporations.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement and a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional or your plan's website and should be read carefully before investing or sending money.

Morningstar ratings reflect the reduction of the fund's expense ratio. However, your plan may charge an administrative fee and/or plan-level fee, which is not reflected in this rating.

To determine a fund's star rating for a given period, the fund's Morningstar risk score is subtracted from its Morningstar return score. If the fund scores in the top 10% of its respective Morningstar category, it receives five stars; if it falls in the next 22.5%, it receives four stars; a place in the middle 35% earns it three stars; those in the next 22.5% receive two stars; and the bottom 10% get one star.

NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against loss in a declining market.

*Portfolio comparisons to the S&P 500 index are calculated against the iShares S&P 500 Index ETF.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★	★★★	★★
Fund Rank Percentile	56	33	42	54	70
Out of # of Investments	374	357	321	251	129

Portfolio Analysis as of 03-31-10

Composition as of 03-31-10		% Assets	Morningstar Style Box™ as of 03-31-10		% Mkt Cap
	U.S. Stocks	98.6		Giant	0.00
	Non-U.S. Stocks	0.9		Large	0.00
	Bonds	0.0		Mid	26.08
	Cash	0.4		Small	59.26
	Other	0.1		Micro	14.66

Top 15 Holdings as of 03-31-10

	% Assets
Ashland, Inc.	0.53
3Com Corporation	0.43
E*Trade Financial Corporation	0.43
Tupperware Brands Corporation	0.43
Waddell & Reed Financial, Inc.	0.43

	% Assets
AGL Resources, Inc.	0.42
Alexandria Real Estate Equities, Inc.	0.42
Jarden Corporation	0.42
CMT Market Liquidity Rate	0.41
Del Monte Foods Company	0.41
RadioShack Corporation	0.40
Senior Housing Prop Trust	0.40
Southern Union Company	0.40
Mack-Cali Realty Corporation	0.39
PerkinElmer, Inc.	0.39

Total Number of Stock Holdings	988
Total Number of Bond Holdings	0
Annual Turnover Ratio %	33
Total Fund Assets (\$mil)	4,103.76

Operations

Fund Inception Date	05-21-98
Initial Share Class	05-21-98
Inception Date	
Advisor	Vanguard Group, Inc.
Subadvisor	—

Fees and Expenses as of 04-29-10

Gross Prosp Exp Ratio	0.28%
Net Prosp Exp Ratio	0.28%

Waiver Data

Type	Exp. Date	%
—	—	—

Portfolio Manager(s)
 Michael H. Buek, CFA, B.S., University of Vermont. M.B.A., Villanova University. Since 1999.

Statistics as of 03-31-10

	Stk Port Avg	Rel S&P 500*	Rel Cat
P/E Ratio	16.62	1.30	1.08
P/B Ratio	1.36	0.74	1.02
P/C Ratio	4.46	0.91	1.01
GeoAvgCap (\$mil)	1,249.12	0.03	1.15

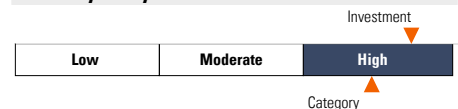
Risk Measures as of 06-30-10

	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	28.38	1.37	1.04
3 Yr Beta	1.28	—	1.06
3 Yr Sharpe Ratio	-0.20	0.44	0.83
3 Yr Alpha	6.38	—	1.33
3 Yr R-squared	87.95	—	1.03

Morningstar Sectors as of 03-31-10

	% Fund	S&P 500 %*
Information	10.00	23.50
Software	2.09	4.19
Hardware	3.99	11.23
Media	1.73	2.80
Telecommunication	2.19	5.28
Service	54.70	39.83
Healthcare Service	5.42	11.27
Consumer Service	8.29	8.79
Business Service	7.19	3.46
Financial Service	33.80	16.31
Manufacturing	35.29	36.65
Consumer Goods	10.89	11.37
Industrial Materials	14.67	10.84
Energy	2.97	10.77
Utilities	6.76	3.67

Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.