

Vanguard Strategic Equity

Overall Morningstar Rating™

★★

Out of 387 Mid-Cap Blend 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

Below Average

Morningstar Risk

Average

Investment Strategy from investment's prospectus

The investment seeks long-term capital appreciation.

The fund normally invests in small- and mid-capitalization domestic stocks based on the advisor's assessment of the relative return potential of the securities. The advisor selects securities that it believes offer a good balance between reasonable valuations and attractive growth prospects relative to their peers, by using proprietary software programs that allow comparisons among thousands of securities at a time.

Category Description: Mid-Cap Blend

The typical mid-cap blend fund invests in stocks of various sizes and mixed characteristics, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks, but aren't so price-conscious that they land in value territory.

Broad Asset Class: Mid Cap Stocks

Shares of ownership in mid-sized 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.

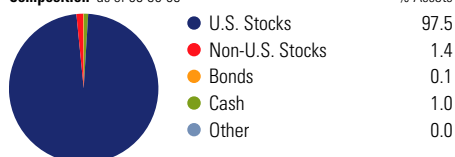
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★	★★	★★★
Fund Rank Percentile	79	90	91	85	49
Out of # of Investments	477	469	387	306	146

Portfolio Analysis as of 06-30-09

Composition as of 06-30-09

Top 15 Holdings as of 06-30-09

Company	% Assets
Western Digital Corporation	1.08
Goodrich Corporation	1.06
Embarq Corporation	1.03
Cooper Industries, Ltd.	0.96
AmerisourceBergen Corporation	0.95
Unum Group	0.95
Marvell Technology Group, Ltd.	0.92
CMT Market Liquidity Rate	0.91
H & R Block, Inc.	0.90
Celanese Corporation	0.88
Dollar Tree Stores, Inc.	0.87
ENSCO International, Inc.	0.87
Sohu.com, Inc.	0.87
Skyworks Solutions, Inc.	0.86
Owens-Illinois, Inc.	0.85
Total Number of Stock Holdings	787
Total Number of Bond Holdings	2
Annual Turnover Ratio %	79
Total Fund Assets (\$mil)	3,548.73

Operations

Fund Inception Date	08-14-95
Initial Share Class	08-14-95
Inception Date	
Advisor	The Vanguard Group, Inc.
Subadvisor	—

Fees and Expenses as of 01-28-09

Gross Prosp Exp Ratio	0.32%
Net Prosp Exp Ratio	0.32%

Waiver Data	Type	Exp. Date	%
—	—	—	—

Portfolio Manager(s)

James D Troyer, CFA, A.B., Occidental C. Since 2006.

Morningstar Style Box™ as of 06-30-09

Value	Blend	Growth	% Mkt Cap
Large			Giant 0.00
			Large 3.69
	■		Medium 59.20
			Small 30.12
Small			Micro 6.99

Statistics as of 06-30-09

	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.78	0.73	0.81
P/B Ratio	1.45	0.70	0.95
P/C Ratio	2.99	0.51	0.62
GeoAvgCap (\$mil)	2,003.61	0.05	0.51

Risk Measures as of 09-30-09

	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	24.62	1.25	1.03
3 Yr Beta	1.20	—	1.05
3 Yr Sharpe Ratio	-0.34	1.10	2.27
3 Yr Alpha	-0.87	—	-0.25
3 Yr R-squared	91.92	—	1.03

Morningstar Sectors as of 06-30-09

	Fund%	S&P 500%
Information	19.47	23.37
Software	4.34	4.45
Hardware	7.96	10.12
Media	1.97	2.52
Telecommunication	5.20	6.28
Service	47.61	39.57
Healthcare Service	9.89	12.46
Consumer Service	10.34	8.58
Business Service	8.81	3.32
Financial Service	18.57	15.21
Manufacturing	32.92	37.05
Consumer Goods	10.47	10.88
Industrial Materials	12.21	10.75
Energy	4.70	11.77
Utilities	5.54	3.65

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.