

Vanguard REIT Index Inv

Overall Morningstar Rating™

★★★

Out of 244 Real Estate 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

Above Average

Morningstar Risk

Above Average

Investment Strategy from investment's prospectus

The investment seeks to replicate, net of expenses, the MSCI US REIT index.

It attempts to replicate the index by investing all, or substantially all, of its 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: Real Estate

Real estate funds invest primarily in real estate investment trusts (REITs) of various types. REITs are companies that develop and manage real-estate properties. There are several different types of REITs, including apartment, factory-outlet, health-care, hotel, industrial, mortgage, office, and shopping center REITs. Some funds in this category also invest in real-estate operating companies.

Broad Asset Class: Real Estate

Shares of ownership in corporations that invest only in real estate.

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.

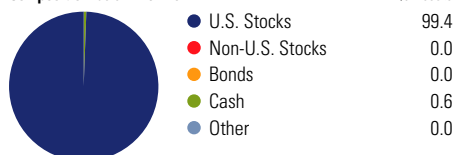
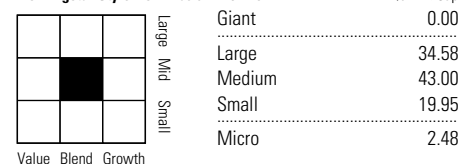
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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	37	41	27	28	33
Out of # of Investments	290	268	244	211	114

Portfolio Analysis as of 12-31-10

Composition as of 12-31-10

Morningstar Style Box™ as of 12-31-10

Top 15 Holdings as of 12-31-10

Company	% Assets
Simon Property Group, Inc.	9.14
Equity Residential	4.62
Public Storage	4.60
Vornado Realty Trust Shs of Benef Int	4.29
HCP, Inc.	4.21
Boston Properties, Inc.	3.76
Host Hotels & Resorts, Inc.	3.72
AvalonBay Communities, Inc.	3.01
Ventas, Inc.	2.59
ProLogis Trust	2.52
Kimco Realty Corporation	2.30
Health Care REIT, Inc.	2.17
General Growth Properties, Inc.	2.05
Macerich Company	1.93
AMB Property Corporation	1.67
Total Number of Stock Holdings	104
Total Number of Bond Holdings	0
Annual Turnover Ratio %	12
Total Fund Assets (\$mil)	10,374.53

Operations

Fund Inception Date	05-13-96
Initial Share Class	05-13-96
Inception Date	
Advisor	Vanguard Group, Inc.
Subadvisor	—

Fees and Expenses as of 05-28-10

Gross Prosp Exp Ratio	0.26%
Net Prosp Exp Ratio	0.26%

Waiver Data	Type	Exp. Date	%
—	—	—	—

Portfolio Manager(s)

Gerard C. O'Reilly, B.S., Villanova University. Since 1996.

Statistics as of 12-31-10

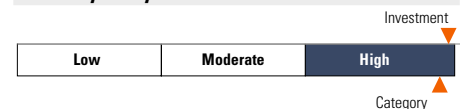
Statistic	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	43.92	3.12	0.99
P/B Ratio	2.16	1.03	0.97
P/C Ratio	15.54	2.14	0.96
GeoAvgCap (\$mil)	5,583.86	0.11	0.92

Risk Measures as of 03-31-11

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	39.89	1.82	1.03
3 Yr Beta	1.51	—	1.02
3 Yr Sharpe Ratio	0.27	1.35	1.17
3 Yr Alpha	4.18	—	1.67
3 Yr R-squared	69.03	—	0.98

Morningstar Sectors as of 12-31-10

Sector	% Fund	S&P 500 %
Cyclical	99.87	28.50
Basic Materials	0.00	2.96
Consumer Cyclical	0.00	9.25
Financial Services	0.00	14.67
Real Estate	99.87	1.62
Sensitive	0.13	46.85
Communication Services	0.00	4.25
Energy	0.00	13.01
Industrials	0.13	12.93
Technology	0.00	16.66
Defensive	0.00	24.65
Consumer Defensive	0.00	10.73
Healthcare	0.00	10.79
Utilities	0.00	3.13

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.