

# Vanguard Small Cap Value Index Inv

**Overall Morningstar Rating™**

★★★

**Morningstar Return Average**
**Morningstar Risk Average**

Out of 309 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.

**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 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: 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.

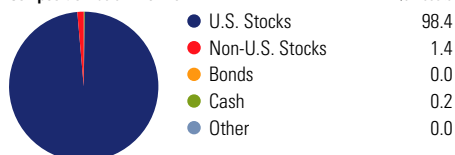
NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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.

**Morningstar Proprietary Statistics**

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★	★★★	★★
Fund Rank Percentile	50	68	53	50	77
Out of # of Investments	372	349	309	254	139

**Portfolio Analysis** as of 12-31-10

**Composition** as of 12-31-10

**Morningstar Style Box™** as of 12-31-10

Value Blend Growth	Large	Mid	Small	% Mkt Cap
Giant				0.00
Large				0.00
Medium				23.42
Small				59.64
Micro				16.94

**Top 15 Holdings** as of 12-31-10

Company	% Assets
Del Monte Foods Company	0.46
BE Aerospace	0.45
Camden Property Trust	0.45
Corn Products International, Inc.	0.44
Essex Property Trust	0.44
Williams-Sonoma, Inc.	0.44
Ares Capital Corporation BDC	0.42
Domtar Corporation	0.41
Kennametal Inc.	0.41
Snap-on, Inc.	0.41
AptarGroup, Inc.	0.40
Hubbell, Inc. B	0.40
Mednax, Inc.	0.40
Popular, Inc.	0.40
Senior Housing Prop Trust	0.39
Total Number of Stock Holdings	988
Total Number of Bond Holdings	0
Annual Turnover Ratio %	25
Total Fund Assets (\$mil)	5,589.69

**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, M.B.A., Villanova University, B.S., University of Vermont. Since 1998.

**Statistics** as of 12-31-10

Statistic	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	15.36	1.09	1.03
P/B Ratio	1.44	0.69	1.01
P/C Ratio	5.22	0.72	0.93
GeoAvgCap (\$mil)	1,380.54	0.03	1.10

**Risk Measures** as of 03-31-11

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	29.27	1.34	1.03
3 Yr Beta	1.26	—	1.04
3 Yr Sharpe Ratio	0.40	2.00	0.95
3 Yr Alpha	6.26	—	0.92
3 Yr R-squared	89.64	—	1.03

**Morningstar Sectors** as of 12-31-10

Sector	% Fund	S&P 500 %
Cyclical	55.02	28.50
Basic Materials	7.99	2.96
Consumer Cyclical	11.96	9.25
Financial Services	22.83	14.67
Real Estate	12.24	1.62
Sensitive	28.45	46.85
Communication Services	0.89	4.25
Energy	4.57	13.01
Industrials	13.35	12.93
Technology	9.64	16.66
Defensive	16.53	24.65
Consumer Defensive	4.67	10.73
Healthcare	5.62	10.79
Utilities	6.24	3.13

**Volatility Analysis**

Category	Investment
Low	
Moderate	
High	▲

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.