

Vanguard Strategic Equity

Overall Morningstar Rating™
★★★

Morningstar Return
Average

Morningstar Risk
Average

Out of 410 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 more detail.**

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, a product prospectus (variable annuity only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

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 a loss in a declining market.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★	★★★	★★★
Fund Rank Percentile	51	74	73	50	39
Out of # of Investments	523	486	410	323	152

Portfolio Analysis as of 03-31-08

Composition as of 03-31-08



Top 15 Holdings as of 03-31-08

Company	% Assets
United States Steel Corporation	1.26
Parker Hannifin Corporation	1.18
Mirant Corporation	1.03
Whirlpool Corporation	0.99
Computer Sciences Corporation	0.96
Helmerich & Payne, Inc.	0.96
AK Steel Holding Corporation	0.95
Celanese Corporation	0.95
Molson Coors Brewing Company	0.95
Manpower, Inc.	0.93
AmerisourceBergen Corporation	0.92
AutoZone, Inc.	0.92
Cooper Industries, Ltd.	0.92
ENSCO International, Inc.	0.92
Darden Restaurants, Inc.	0.91
Total Number of Stock Holdings	469
Total Number of Bond Holdings	2
Annual Turnover Ratio %	75
Total Fund Assets (\$mil)	5,625.2

Risk Classification as of 06-30-08

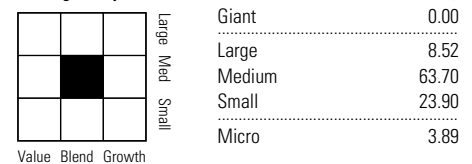
An investment's risk classification corresponds with the following ranges of standard deviation.

I	II	III	IV	V	VI
I	Lowest: Money Market and Stable Value Funds				
II	Very Low: 0.00-3.46				
III	Low: 3.47-5.21				
IV	Moderate: 5.22-9.95				
V	High: 9.96-13.50				
VI	Very High: 13.51 and above				

Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Morningstar provides standard deviation and Nationwide provides the ranges.

Morningstar Style Box™ as of 03-31-08



Statistics as of 03-31-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.94	0.89	0.84
P/B Ratio	1.87	0.90	0.93
P/C Ratio	6.40	0.75	0.56
GeoAvgCap (\$mil)	3,298.82	0.07	0.61

Risk Measures as of 06-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	13.27	0.85	1.07
3 Yr Beta	1.15	—	1.08
3 Yr Sharpe Ratio	-0.01	0.04	-0.06
3 Yr Alpha	-0.94	—	-0.83
3 Yr R-squared	77.24	—	1.02

Morningstar Sectors as of 03-31-08

Sector	Fund%	S&P 500%
Information	14.01	20.44
Software	4.32	4.00
Hardware	5.48	10.16
Media	1.86	2.95
Telecommunication	2.35	3.33
Service	43.97	37.62
Healthcare Service	10.37	11.94
Consumer Service	7.90	6.95
Business Service	7.85	4.66
Financial Service	17.85	14.07
Manufacturing	42.01	41.96
Consumer Goods	7.30	9.08
Industrial Materials	18.54	12.65
Energy	11.33	16.35
Utilities	4.84	3.88

Operations

Net Annual Rpt Exp Ratio	0.30% of fund assets
Gross Prospectus Exp Ratio	0.30% of fund assets
Fund Inception Date	08-14-95
Initial Share Class	08-14-95
Inception Date	
Advisor	The Vanguard Group
Subadvisor	—

Portfolio Manager(s)

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