

Vanguard Windsor II

Overall Morningstar Rating™
★★★

Morningstar Return
Average

Morningstar Risk
Average

Out of 1183 Large 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 more detail.

Investment Strategy from investment's prospectus

The investment seeks long-term capital appreciation and income.

The fund invests mainly in mid- and large-capitalization companies whose stocks are considered by an advisor to be undervalued. Undervalued stocks are generally those that are out of favor with investors and that the advisor feels are trading at prices that are below average in relation to such measures as earnings and book value. These stocks often have above-average dividend yields.

Category Description: Large Value

Large-value funds focus on big companies that are less expensive or growing more slowly than other large-cap stocks. These funds often feature investments in energy, financial, or manufacturing sectors.

Broad Asset Class: Large Cap Stocks

Shares of ownership in large 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

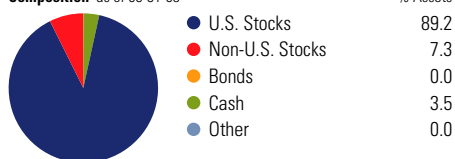
The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against a loss in a declining market.

Morningstar Proprietary Statistics

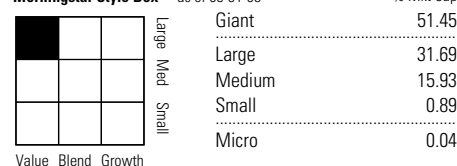
	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★	★★★	★★★
Fund Rank Percentile	65	67	59	34	45
Out of # of Investments	1,492	1,428	1,183	928	427

Portfolio Analysis as of 03-31-08

Composition as of 03-31-08



Morningstar Style Box™ as of 03-31-08



Top 15 Holdings as of 03-31-08

Company	% Assets
CMT Market Liquidity Rate	3.39
Occidental Petroleum Corporation	3.32
Imperial Tobacco Group PLC ADR	2.92
AT&T, Inc.	2.87
ConocoPhillips	2.69
J.P. Morgan Chase & Co.	2.60
Verizon Communications Inc.	2.51
Bank of America Corporation	2.41
International Business Machines Corp	2.35
Philip Morris International Inc	2.19
Kraft Foods, Inc.	2.12
Pfizer Inc.	2.07
Wyeth	2.03
Manulife Financial Corporation	1.95
Bristol-Myers Squibb Company	1.94
Total Number of Stock Holdings	264
Total Number of Bond Holdings	2
Annual Turnover Ratio %	51
Total Fund Assets (\$mil)	41,383.3

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.

Statistics as of 03-31-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.55	0.86	0.93
P/B Ratio	1.82	0.88	0.95
P/C Ratio	19.73	2.31	1.68
GeoAvgCap (\$mil)	43,399.52	0.91	1.08

Risk Measures as of 06-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	10.86	0.70	1.01
3 Yr Beta	1.00	—	1.02
3 Yr Sharpe Ratio	-0.09	0.36	2.25
3 Yr Alpha	-1.67	—	1.30
3 Yr R-squared	88.68	—	1.01

Morningstar Sectors as of 03-31-08

Sector	Fund%	S&P 500%
Information	14.94	20.44
Software	1.88	4.00
Hardware	6.19	10.16
Media	1.14	2.95
Telecommunication	5.73	3.33
Service	40.11	37.62
Healthcare Service	12.58	11.94
Consumer Service	6.55	6.95
Business Service	0.75	4.66
Financial Service	20.23	14.07
Manufacturing	44.95	41.96
Consumer Goods	13.76	9.08
Industrial Materials	11.79	12.65
Energy	12.04	16.35
Utilities	7.36	3.88

Operations

Net Annual Rpt Exp Ratio	0.32% of fund assets
Gross Prospectus Exp Ratio	0.33% of fund assets
Fund Inception Date	06-24-85
Initial Share Class	06-24-85
Inception Date	
Advisor	Hotchkis and Wiley Capital Mgt, LLC
Subadvisor	—

Portfolio Manager(s)

James P. Barrow. B.S., U of South Carolina, 1962. Since 1985.
George H. Davis. B.A., Stanford U. M.B.A., Stanford U. Since 2003.