

Vanguard Windsor II Investor

Overall Morningstar Rating™
★★★
 Out of 1120 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 details.

Morningstar Return Average

Morningstar Risk Average

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.

Past name(s): Vanguard Windsor II.

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 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	30	84	33	40	35
Out of # of Investments	1,312	1,239	1,120	945	522

Portfolio Analysis as of 12-31-10

Composition as of 12-31-10		% Assets	Morningstar Style Box™ as of 12-31-10		% Mkt Cap
	U.S. Stocks	91.8		Giant	51.65
	Non-U.S. Stocks	6.6		Large	35.31
	Bonds	0.0		Medium	12.34
	Cash	1.6		Small	0.68
	Other	0.0		Micro	0.01

Top 15 Holdings as of 12-31-10

	% Assets
ConocoPhillips	3.59
International Business Machines Corp	3.27
Wells Fargo Company	3.08
JP Morgan Chase & Co	2.89
Microsoft Corporation	2.75
Pfizer Inc.	2.74
Philip Morris International, Inc.	2.15
Occidental Petroleum Corporation	2.10
Raytheon Company	2.04
PNC Financial Services Group Inc.	2.03
Hewlett-Packard Company	1.98
Spectra Energy Corp	1.96
Intel Corporation	1.95
Cooper Industries PLC.	1.87
Imperial Tobacco Group PLC ADR	1.82
Total Number of Stock Holdings	249
Total Number of Bond Holdings	0
Annual Turnover Ratio %	29
Total Fund Assets (\$mil)	37,318.25

Operations

Fund Inception Date	06-24-85
Initial Share Class	06-24-85
Inception Date	
Advisor	Vanguard
Subadvisor	Barrow, Hanley, Mewhinney & Straus LLC.

Fees and Expenses as of 02-24-11

Gross Prosp Exp Ratio	0.35%
Net Prosp Exp Ratio	0.35%

Waiver Data	Type	Exp. Date	%
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Portfolio Manager(s)

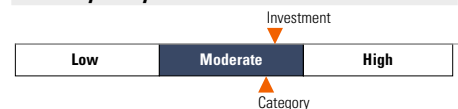
James P. Barrow, B.S., University of South Carolina, 1962. Since 1985.
 George H. Davis, Jr., Series 7, M.B.A., Stanford University, 1988. B.A., Stanford University, 1984. Since 2003.

Statistics as of 12-31-10	Stk Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	11.71	0.83	0.94
P/B Ratio	1.86	0.89	1.06
P/C Ratio	3.97	0.55	0.71
GeoAvgCap (\$mil)	46,168.44	0.92	1.23

Risk Measures as of 03-31-11	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	22.71	1.04	1.01
3 Yr Beta	1.03	—	1.02
3 Yr Sharpe Ratio	0.19	0.95	1.27
3 Yr Alpha	-0.10	—	0.11
3 Yr R-squared	98.53	—	1.03

Morningstar Sectors as of 12-31-10	% Fund	S&P 500 %
Cyclical	29.16	28.50
Basic Materials	2.49	2.96
Consumer Cyclical	6.33	9.25
Financial Services	20.09	14.67
Real Estate	0.25	1.62
Sensitive	43.17	46.85
Communication Services	3.44	4.25
Energy	12.03	13.01
Industrials	13.51	12.93
Technology	14.19	16.66
Defensive	27.67	24.65
Consumer Defensive	11.52	10.73
Healthcare	12.38	10.79
Utilities	3.77	3.13

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.