

# Vanguard® Prime Money Market Fund - Institutional Shares

The Vanguard Group began operations in 1975 and is a leader in the investment management business. The Vanguard Group is known for providing competitive investment performance, a broad array of mutual funds, top client service, and an average expense ratio that is among the lowest of families of retail mutual funds.

Asset Class: **Stability of Principal**  
Category: **Money Market**

## FUND FACTS

Inception date: **October 3, 1989**

Management expenses for period ended August 31, 2007: **0.05%**

Other expenses: **0.03%**

Gross fund expense ratio for period ended August 31, 2007: **0.08%**

If offered through a retirement program, additional fees and expenses may be charged under that program.

## Important Information

Category is interpreted by ING using Fund company and/or Morningstar category information.

Fees and expenses may be subject to change based on fund size or fee waiver arrangements; please refer to the prospectus for more information. More detailed information is included in the enrollment material. Vanguard and the ship logo are trademarks of The Vanguard Group, Inc.

**You should consider the investment objectives, risks, and charges and expenses of the investment options offered through a retirement plan carefully before investing. The prospectus contains this and other information. Please read the prospectus carefully before investing. You can obtain a free prospectus for the Fund and/or the separate account prior to making an investment decision or at any time by contacting your local representative or 1-800-262-3862. If a different toll-free number is shown on the first page of the Prospectus Summary or in your enrollment material, please call that number.**

## Investment Adviser

The Vanguard Group, Inc. (Vanguard)

## Portfolio Manager

The manager primarily responsible for the day-to-day management of the Fund is David R. Glocke, Principal of Vanguard, who has worked in investment management since 1991 and has managed investment portfolios for Vanguard since 1997.

## Investment Objective

The Fund seeks to provide current income while maintaining liquidity and a stable share price of \$1.

## Strategy

The Fund invests in high-quality, short-term money market instruments, including certificates of deposit, banker's acceptances, commercial paper, and other money market securities. To be considered high-quality, a security generally must be rated in one of the two highest credit-quality categories for short-term securities by at least two nationally recognized rating services (or by one, if only one rating service has rated the security). If unrated, the security must be determined by Vanguard to be of quality equivalent to securities in the two highest credit-quality categories. The Fund invests more than 25 percent of its assets in securities issued by companies in the financial services industry. The Fund maintains a dollar-weighted average maturity of 90 days or less.

## Principal Risks

The Fund is designed for investors with a low tolerance for risk; however, the Fund's performance could be hurt by:

- Income risk, which is the chance that the Fund's income will decline because of falling interest rates. Because the Fund's income is based on short-term interest rates, which can fluctuate significantly over short periods, income risk is expected to be high.
- Manager risk, which is the chance that poor security selection will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- Credit risk, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Credit risk should be very low for the Fund because it invests only in securities that are considered to be of high quality.
- Industry concentration risk, which is the chance that there will be overall problems affecting a particular industry. Because the Fund invests more than 25 percent of its assets in securities of companies in the financial services industry, the Fund's performance will depend to a greater extent on the overall condition of that industry.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

Securities are offered through ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.



# PORTFOLIO UPDATE

## Vanguard® Prime Money Market Fund - Institutional Shares

### Important Information

Past performance does not guarantee future results. For most recent month-end performance which may be lower or higher than the past performance data shown please call 1-800-262-3862. Investment return and the principal value of an investment will fluctuate so that, when sold, an investment may be worth more or less than the original cost.

Average annual total returns and calendar year returns are net of all fund expenses, but do not include retirement plan charges which, if included, would reduce the total return. Please see the accompanying Performance Update for standardized product level returns. Performance results assume reinvestment of all earnings and do not include the deduction of any fund sales charges, which are waived under the terms of this retirement program.

### Fund Trading Issues

The fund industry has been under scrutiny because some fund managers have allowed improper market timing and late day trading. To review the practices and procedures regarding market timing and late day trading, please refer to the current prospectus and supplement(s) for each fund.

**AS OF DECEMBER 31, 2007**

(shown in percentages)

### Fund Facts

Market Benchmark <sup>1</sup>	Lipper Money Market Fund Average
Total Net Assets	\$11.1 billion
Beta*	0.99

\* Beta is a means of measuring the volatility of a security or portfolio of securities in comparison with a specified market index or benchmark. A beta of 1 indicates that the security's price will move with the market index or benchmark. A beta higher than 1 indicates that the price will be more volatile than the market index or benchmark and a beta of less than 1 means that it will be less volatile.

### Credit Quality\*\*\*

Aaa	37.2
Aa	59.0
A	3.8

### Statistical Data††

Average Maturity	N/A
Average Quality	Aa1
SEC 7day-yield	4.74

### Asset Allocation

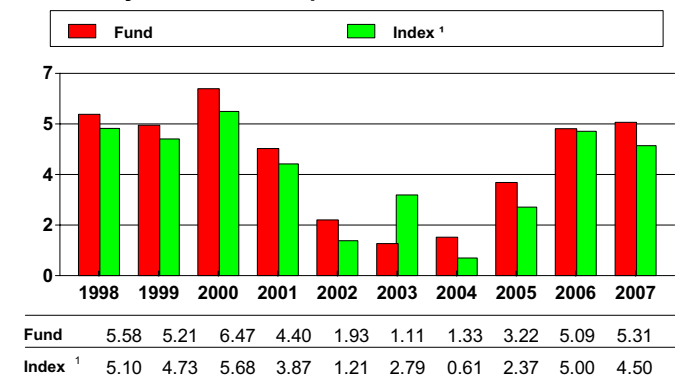
ST RESRVS	100.0
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### Average annual total returns

	Qtr #	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Fund	1.25	5.31	4.53	3.20	3.95	N/A
Index <sup>1</sup>	1.06	4.50	3.95	3.04	3.57	N/A

# Return Not Annualized

### Calendar year returns for periods ended 12/31



<sup>1</sup>Lipper Money Market Fund Average is an average of the returns that invest in high quality financial instruments rated in top two grades with dollar-weighted average maturities of less than 90 days. Please note that indexes are unmanaged and their returns do not take into account any of the fees and expenses of the mutual funds to which they are compared. Individuals cannot invest directly in any index.

††The current yield more closely reflects current earnings and does not reflect contract charges. An investment in this fund is not insured nor guaranteed by the Federal Deposit Insurance Corporation nor any other government agency. The fund is a money market fund which does not strive to maintain a stable \$1.00 net asset value. While the fund's investment objective includes the preservation of capital, it is possible to lose money by investing in the fund.

\*\*\*The credit quality of the securities in the portfolio is generally calculated by a national rating organization; if unrated, the investment manager may determine a comparable rating, which is included in the portfolio breakdown. The credit quality of the investment in the portfolio does not apply to the stability or safety of the Fund.