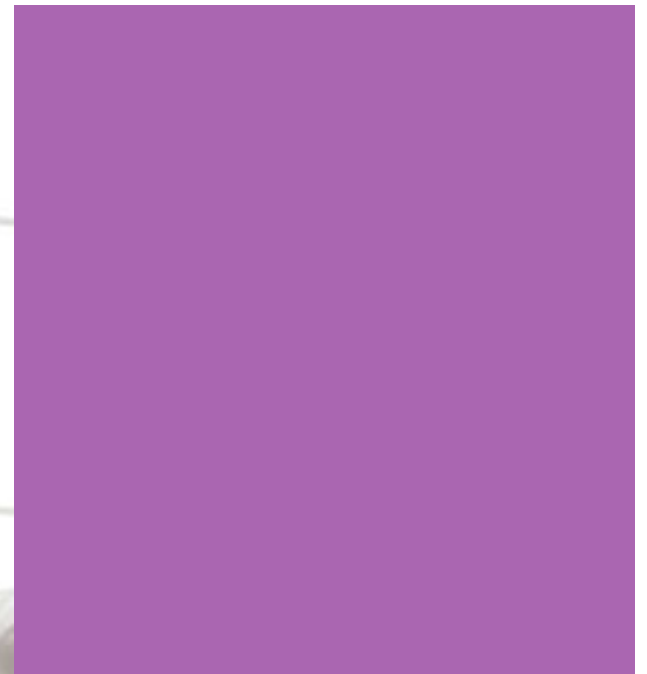


Women and investing: How to take charge of your financial future



Vanguard



Agenda

- Get more involved with your finances
- Important investment concepts you should know
- Get started on the road to investment success

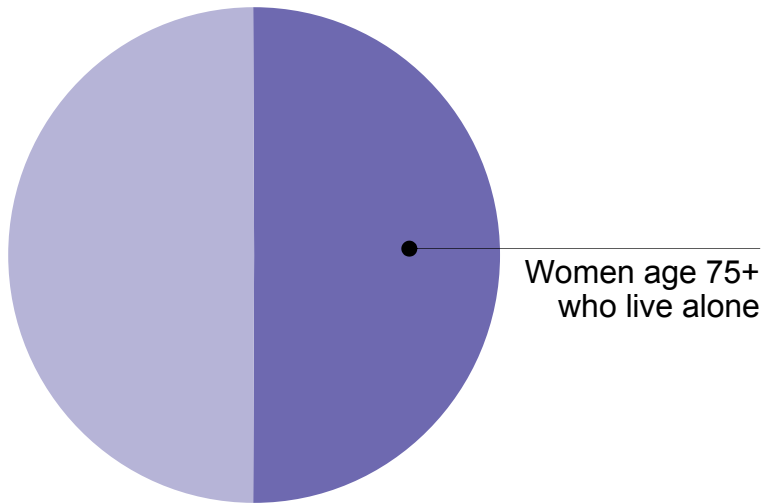


Get more involved with your finances

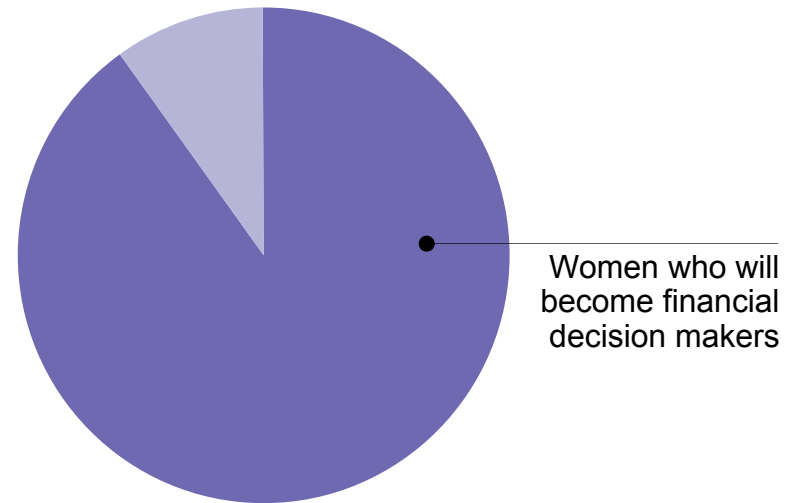


It's not a question of if but when

Women live longer than men



Half of women age 75+ live alone*



Nine out of ten women will eventually become primary financial decision makers in their households**

*Source: 2002 U.S. Census.

**Source: National Center for Women and Retirement Research.



Demographics have a powerful influence

- Women are a rapidly growing segment of the wealthy population
- Women account for almost half the workforce*

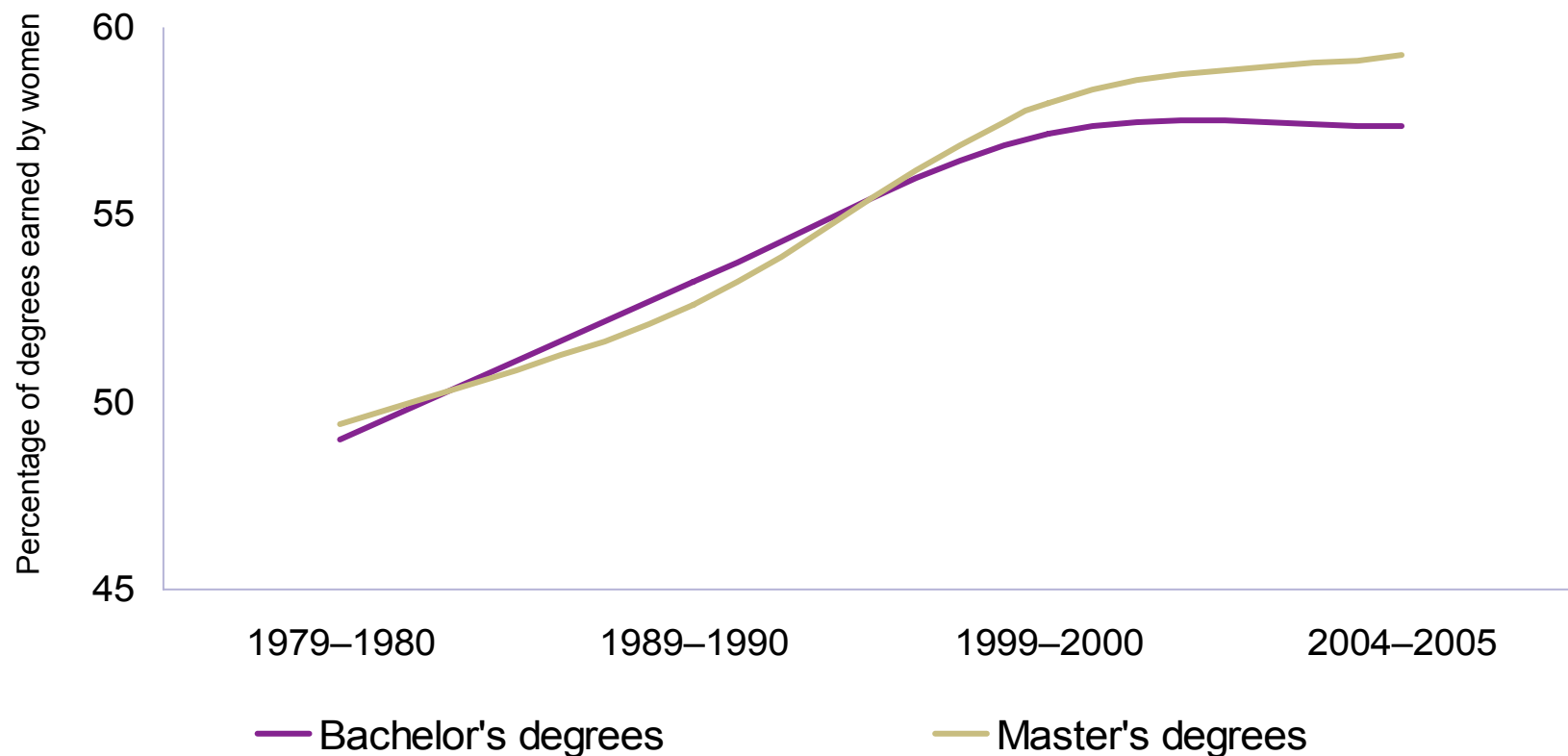
*Source: U.S. Department of Labor, Bureau of Labor Statistics, 2006.

> 5



Women are attaining significantly higher education levels

A large percentage of bachelor's and masters degrees awarded each year are earned by women



Source: U.S. Department of Education.



Social factors are also important

- Women have typically been the primary spenders of family income
- Money is a frequent cause of conflict for married couples
- Women are discovering the value of economic empowerment and financial independence

Women are smart investors

The following unique traits set women apart:

- Patience
- Willingness to ask questions and seek advice
- Tendency to be savvy consumers
- Propensity to rely on intuition



Important investment concepts you should know



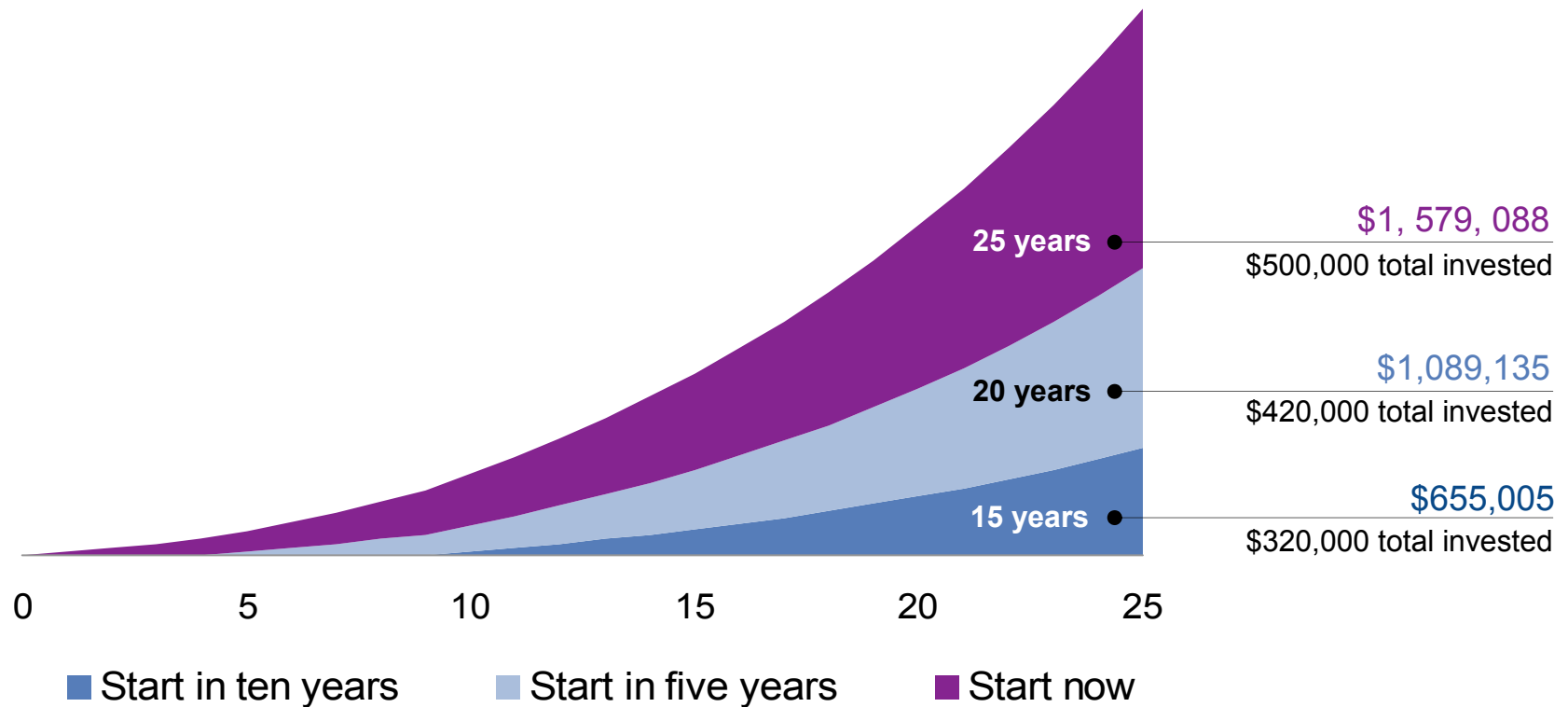
Start early

Waiting has its costs

- The longer you wait to start saving, the less potential income you'll have later
- Social Security will pay only a small fraction of your expenses
- You'll likely need at least 80% of your household's pre-retirement income to fund retirement
- Longer life spans mean you'll probably need to fund retirement for 20 to 30 years, or more

Invest regularly

\$20,000 invested annually, earning 8%



This hypothetical illustration does not represent the return on any particular investment and does not take into consideration the effect of costs or taxes.



The major asset classes

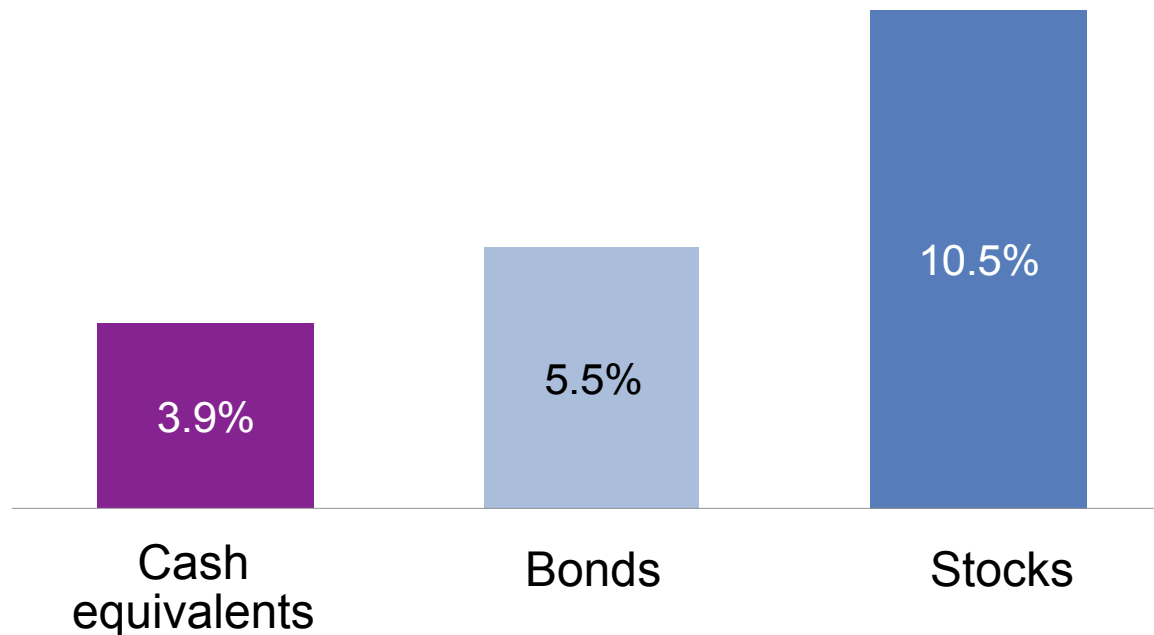
- **Stocks**
 - Shares of ownership in a particular company
 - Historically provided the highest long-term returns
- **Bonds**
 - Loans to a government or a company
 - Historically provided average long-term returns
- **Cash equivalents**
 - CDs, U.S. Treasury bills, money market funds
 - Historically provided the lowest long-term returns

All investing is subject to risk. Investments in bonds are subject to interest rate, credit, and inflation risk. U.S. government backing of Treasury or agency securities applies only to the underlying securities and does not prevent share-price fluctuations.



Invest for the long term: Historical market returns support a long-term investment approach

Average annual investment returns (1926–2006)

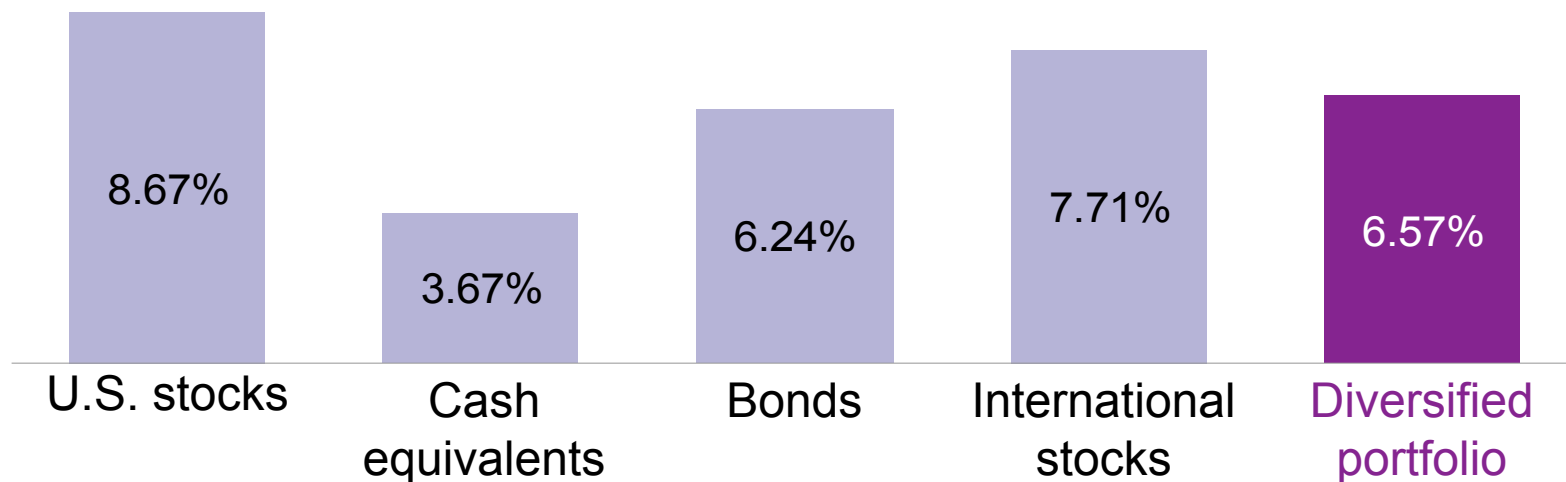


Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index. Note: Short-term reserves: Citigroup 3-Month Treasury Bill Index. Bonds: S&P High Grade Corporate Index 1926–1968, Citigroup High Grade Index 1969–1972, Lehman Long-Term AA Corporate Index 1973–1975, Lehman Aggregate Bond Index thereafter. Stocks: S&P 500 Index 1926–1970, Dow Jones Wilshire 5000 Index 19771–April 22, 2005, MSCI US Broad Market Index thereafter. Source: Vanguard.

Diversify

Investing in a variety of asset classes helps smooth out overall performance volatility

20-year performance of the major asset classes, 1987-2006



Note: All figures reflect annual returns from December 31, 1987 to December 31, 2006. U.S. stocks: Dow Jones Wilshire 5000 Index. Money markets: Citigroup 3-Month Treasury Bill Index. Bonds: Lehman U.S. Aggregate Bond Index. International stocks: MSCI EAFE Index. This hypothetical illustration does not represent the returns of a particular investment. The hypothetical "Diversified portfolio" is an evenly weighted combination of the asset classes. Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index. Foreign investing involves additional risks, including currency fluctuations and political uncertainty. Source: Vanguard.

Practice dollar-cost averaging

A convenient, systematic way to build wealth

How dollar-cost averaging works:

The average share price: $\$8.20$ ($\$10 + \$8 + \$5 + \$8 + \$10 = \$41 \div 5 \text{ months} = \8.20)

Your average share cost: $\$7.69$ ($\$2,000 \div 260 \text{ shares}$)

Monthly investment	Share price	Shares acquired
\$400	\$10	40
400	8	50
400	5	80
400	8	50
400	10	40
\$2,000 (total)		260 (total)

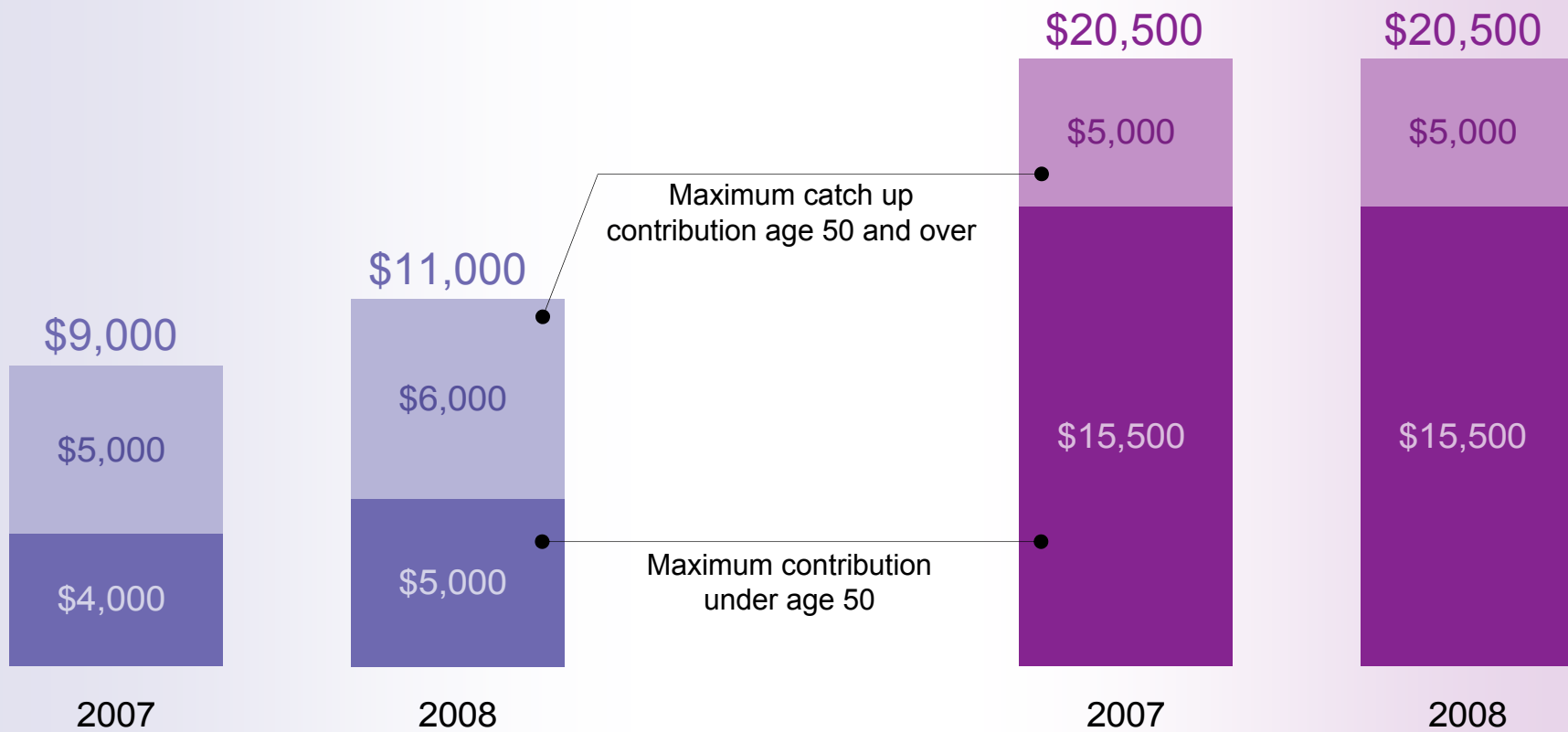
Dollar-cost averaging does not guarantee that your investments will make a profit, nor does it protect you against losses when stock or bond prices are falling. You should consider whether you would be willing to continue investing during a long downturn in the market, because dollar-cost averaging involves making continuous investments regardless of fluctuating price levels.



Maximize tax-deferred investment opportunities

Increased IRA contribution limits

Increased employer plan contribution limits



When taking withdrawals from a tax-deferred plan before age 59-1/2, you may have to pay ordinary income tax plus a 10% federal penalty tax.

The importance of estate planning

- Preserves your assets for family and heirs
- Ensures that your assets will be distributed according to your wishes
- Reduces or eliminates federal estate taxes

Get started on the road to investment success



Assess your finances

- How much income do you have?
- How much do you spend?
- How much do you save?

The benefits of professional guidance

- Reduces investment anxiety
- Builds confidence
- Addresses your unique needs
- Defines your goals
- Creates a personal investment plan
- Keeps your investment plan on track



Take the next steps

- Become familiar with investment concepts
- Calculate your spending and saving
- Consider the advantage of working with an experienced financial advisor

Notes

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

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