

Dreyfus IP Small Cap Stock Index - Service Shares

Investment Strategy from investment's prospectus

The investment seeks to match the performance of the Standard & Poor's SmallCap 600 index.

The fund attempts to have a correlation between its performance and that of the index of at least .95, before expenses. It typically will not invest in all 600 stocks in the S&P SmallCap 600 index because of the use of this sampling process.

Category Description: Small Blend

Small-blend funds favor firms at the smaller end of the market-capitalization range, and are flexible in the types of small caps they buy. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages.

Broad Asset Class: Small Cap Stocks

Shares of ownership in small corporations.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity and variable life insurance 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.

Portfolio Analysis as of 02-29-08

Composition as of 02-29-08	Net%
U.S. Stocks	99.2
Non U.S. Stocks	1.1
Bonds	0.0
Cash	-0.4
Other	0.0
Total	100.0

Top 20 Holdings as of 02-29-08	% Assets
Shaw Group	1.11
Cabot Oil & Gas Corporation A	1.00
Emini Russell (Fut)	0.98
Respironics Inc.	0.96
FLIR Systems, Inc.	0.79
Oceaneering International	0.70
Idexx Laboratories	0.69
Pediatric Medical Group, Inc.	0.69
Massey Energy Company	0.67
Trimble Navigation Ltd.	0.67
Helix Energy Solutions Group, Inc.	0.65
Ansys, Inc.	0.61
Southern Union Company	0.60
UGI Corporation	0.59
Atwood Oceanics, Inc.	0.57
Itron Inc.	0.57
Unit Corporation	0.56
Essex Property Trust	0.55
Kirby Corp.	0.55
Lennox International, Inc.	0.55
Total Number of Stock Holdings	596
Total Number of Bond Holdings	0
Annual Turnover Ratio %	21
Total Fund Assets (\$mil)	318.7

Risk Classification as of 03-31-08

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 02-29-08

	% Mkt Cap
Giant	0.00
Large	0.00
Medium	19.40
Small	67.36
Micro	13.24

Statistics as of 02-29-08	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	14.74	1.10	1.03
P/B Ratio	1.72	0.74	0.95
P/C Ratio	8.60	0.96	1.13
GeoAvgCap (\$mil)	1,147.99	0.02	0.89

Risk Measures as of 03-31-08	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	12.68	0.91	0.95
3 Yr Beta	1.24	—	0.97
3 Yr Sharpe Ratio	0.10	-1.11	1.43
3 Yr Alpha	-1.02	—	0.75
3 Yr R-squared	70.39	—	1.03

Morningstar Sectors as of 02-29-08

	Fund%	S&P 500%
Information	14.85	20.22
Software	5.85	3.87
Hardware	8.27	9.78
Media	0.02	3.09
Telecommunication	0.71	3.48
Service	46.69	40.24
Healthcare Service	11.81	11.82
Consumer Service	8.13	7.26
Business Service	10.31	4.40
Financial Service	16.44	16.76
Manufacturing	38.45	39.53
Consumer Goods	6.59	8.83
Industrial Materials	17.91	13.67
Energy	10.11	13.47
Utilities	3.84	3.56

Operations

Expense Ratio	0.61% of fund assets
Fund Inception Date	05-01-02
Initial Share Class	05-01-02
Inception Date	
Advisor	The Dreyfus Corporation
Subadvisor	—

Portfolio Manager(s)

Thomas Durante, CFA. Since 2003.