

# Rydex VT Absolute Return Strategies Fund

## Investment Strategy from investment's prospectus

The investment seeks to provide capital appreciation consistent with the return and risk characteristics of the hedge fund universe.

The fund allocates assets to gain exposure to a broad mix of financial assets including U.S. and foreign equities of any capitalization range, currencies, commodities, futures, options, swap agreements, high yield securities, and corporate debt. It is nondiversified.

## Category Description: Mid-Cap Blend

The typical mid-cap blend fund invests in stocks of various sizes and mixed characteristics, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks, but aren't so price-conscious that they land in value territory.

## Broad Asset Class: Specialty

Securities from narrow sub-sectors of the broader market or uncommon asset classes.

## 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 09-30-08

Composition as of 09-30-08		Net%
U.S. Stocks	21.0	
Non U.S. Stocks	2.6	
Bonds	0.0	
Cash	75.8	
Other	0.7	
<b>Total</b>	<b>100.0</b>	

Top 20 Holdings as of 09-30-08		% Assets
iShares MSCI Emerging Markets Index FUTURES	2.06	
Delta Air Lines, Inc.	1.85	
Northwest Airlines Corporation	1.07	
Greenfield Online, Inc.	0.94	
Wm. Wrigley Jr. Company	0.83	
Republic Services, Inc. A	0.82	
Vanguard Emerging Markets Stock ETF	0.81	
Thermo Fisher Scientific, Inc.	0.79	
Hercules, Inc.	0.77	
Puget Energy, Inc.	0.76	
Photon Dynamics, Inc.	0.76	
Darwin Professional Underwriters, Inc.	0.74	
Applied Biosystems Inc	0.72	
NDS Group PLC ADR	0.71	
DRS Technologies, Inc.	0.71	
Apria Healthcare Group	0.70	
AlphaPharma, Inc.	0.69	
Baxter International Inc.	0.67	
Genentech, Inc.	0.67	
<b>Total Number of Stock Holdings</b>	<b>419</b>	
<b>Total Number of Bond Holdings</b>	<b>0</b>	
<b>Annual Turnover Ratio %</b>	<b>421</b>	
<b>Total Fund Assets (\$mil)</b>	<b>38.31</b>	

## Risk Classification as of 09-30-08

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.

## Morningstar Style Box™ as of 09-30-08

Morningstar Style Box™ as of 09-30-08		% Mkt Cap
Value	Giant	10.46
Blend	Large	24.21
Growth	Medium	48.07
	Small	10.90
	Micro	6.36

## Statistics as of 09-30-08

Statistics as of 09-30-08	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	13.08	1.06	0.91
P/B Ratio	1.74	0.89	0.96
P/C Ratio	6.02	0.82	0.87
GeoAvgCap (\$mil)	6,314.74	0.14	1.22

## Risk Measures as of 09-30-08

Risk Measures as of 09-30-08	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	—	—	—
3 Yr Beta	—	—	—
3 Yr Sharpe Ratio	—	—	—
3 Yr Alpha	—	—	—
3 Yr R-squared	—	—	—

## Morningstar Sectors as of 09-30-08

Morningstar Sectors as of 09-30-08	Fund%	S&P 500%
Information	14.80	19.27
Software	3.45	4.02
Hardware	5.69	9.48
Media	2.11	2.72
Telecommunication	3.55	3.05
Service	45.87	40.95
Healthcare Service	15.02	13.10
ConsumerService	7.07	7.45
Business Service	7.53	4.74
Financial Service	16.25	15.66
Manufacturing	39.34	39.79
Consumer Goods	10.15	10.65
Industrial Materials	11.19	12.22
Energy	8.45	13.43
Utilities	9.55	3.49

## Operations

Expense Ratio	1.69% of fund assets
Fund Inception Date	11-29-05
Initial Share Class	11-29-05
Inception Date	
Advisor	PADCO Advisors II, Inc.
Subadvisor	—

## Portfolio Manager(s)

Michael P. Byrum, CFA. B.S., Miami U of Ohio, 1992. Since 2005.  
 Michael J. Dellapa, CFA. B.S., U of Maryland. M.B.A., U of Chicago. Since 2006.