

Rydex VT Financial Services Fund

Investment Strategy from investment's prospectus

The investment seeks capital appreciation.

The fund primarily invests in equity securities of financial services companies that are traded in the United States. It invests in financial services companies that include commercial banks, savings and loan associations, insurance companies and brokerage companies. The fund is nondiversified.

Category Description: Specialty-Financial

Specialty-financial funds focus on the shares of banks, savings-and-loan institutions, insurance companies, brokerage companies, and consumer-credit providers.

Broad Asset Class: Specialty

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

Notes

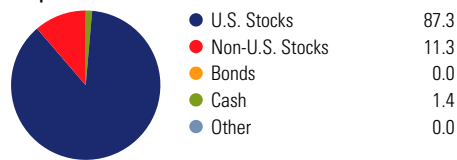
This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity and variable life insurance only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment 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



Top 20 Holdings as of 09-30-08

Company	% Assets
HSBC Holdings PLC ADR	2.63
Bank of America Corporation	2.58
J.P. Morgan Chase & Co.	2.51
Wells Fargo Company	2.40
Citigroup, Inc.	2.02
US Bancorp	1.68
AXA ADR	1.61
Credit Suisse Group ADR	1.46
Allianz SE ADR	1.31
Barclays PLC ADR	1.22
Metropolitan Life Insurance Company	1.22
Goldman Sachs Group, Inc.	1.14
Prudential Financial, Inc.	1.12
American Express Company	1.10
Bank of New York Mellon Corporation	1.09
Charles Schwab Corporation	1.08
UBS	1.07
PNC Financial Services Group	1.01
BB&T Corporation	0.99
The Travelers Companies, Inc.	0.99
Total Number of Stock Holdings	172
Total Number of Bond Holdings	0
Annual Turnover Ratio %	525
Total Fund Assets (\$mil)	13.30

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
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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

Style	% Mkt Cap
Giant	22.13
Large	32.99
Medium	44.32
Small	0.55
Micro	0.01

Statistics as of 09-30-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	13.77	1.11	1.14
P/B Ratio	1.12	0.57	1.05
P/C Ratio	11.82	1.62	0.97
GeoAvgCap (\$mil)	14,155.81	0.31	0.91

Risk Measures as of 09-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	14.96	1.31	0.92
3 Yr Beta	1.06	—	1.02
3 Yr Sharpe Ratio	-0.83	2.96	1.43
3 Yr Alpha	-8.98	—	1.40
3 Yr R-squared	64.25	—	1.15

Morningstar Sectors as of 09-30-08

Sector	Fund%	S&P 500%
Information	0.21	19.27
Software	0.00	4.02
Hardware	0.00	9.48
Media	0.21	2.72
Telecommunication	0.00	3.05
Service	97.40	40.95
Healthcare Service	0.00	13.10
ConsumerService	0.00	7.45
Business Service	0.92	4.74
Financial Service	96.48	15.66
Manufacturing	2.39	39.79
Consumer Goods	0.83	10.65
Industrial Materials	1.56	12.22
Energy	0.00	13.43
Utilities	0.00	3.49

Operations

Expense Ratio	1.59% of fund assets
Fund Inception Date	07-20-01
Initial Share Class	07-20-01
Inception Date	
Advisor	PADCO Advisors II, Inc.
Subadvisor	—

Portfolio Manager(s)

Michael P. Byrum, CFA. B.S., Miami U of Ohio, 1992. Since 2001.
 Michael J. Dellapa, CFA. B.S., U of Maryland. M.B.A., U of Chicago. Since 2006.