

# Rydex VT Health Care Fund

## Investment Strategy from investment's prospectus

The investment seeks capital appreciation.

The fund primarily invests in equity securities of health care companies that are traded in the United States. It may also engage in futures and options transactions, enter into swap agreements, purchase ADRs and U.S. government securities, and enter into repurchase agreements. It is nondiversified.

## Category Description: Specialty-Health

Specialty-health funds focus on the medical and health-care industries. Most invest in a range of companies, buying everything from pharmaceutical and medical-device makers to HMOs, hospitals, and nursing homes. A few funds concentrate on just one industry segment, such as service providers or biotechnology firms.

## Broad Asset Class: Specialty

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

## Notes

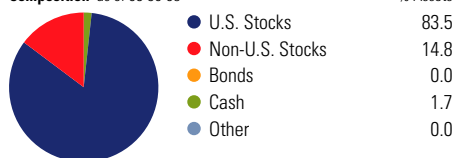
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NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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
Johnson & Johnson	4.23
Novartis AG ADR	3.40
Pfizer Inc.	3.35
GlaxoSmithKline PLC ADR	3.08
Genentech, Inc.	3.02
Abbott Laboratories	2.83
Sanofi-Aventis ADR	2.69
Amgen, Inc.	2.54
AstraZeneca PLC ADR	2.36
Merck & Co., Inc.	2.28
Medtronic, Inc.	2.16
Alcon, Inc.	2.07
Eli Lilly & Company	2.02
Teva Pharmaceutical Industries, Ltd. ADR	1.93
Baxter International Inc.	1.89
Bristol-Myers Squibb Company	1.85
Wyeth	1.85
Gilead Sciences, Inc.	1.76
UnitedHealth Group, Inc.	1.74
Covidien, Ltd.	1.64
Total Number of Stock Holdings	78
Total Number of Bond Holdings	0
Annual Turnover Ratio %	424
Total Fund Assets (\$mil)	36.94

## 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	39.25
Large	34.14
Medium	26.61
Small	0.00
Micro	0.00

Value Blend Growth

## Statistics as of 09-30-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	14.54	1.18	0.81
P/B Ratio	2.69	1.38	0.86
P/C Ratio	11.07	1.51	0.89
GeoAvgCap (\$mil)	25,912.46	0.57	1.52

## Risk Measures as of 09-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	9.88	0.87	0.82
3 Yr Beta	0.64	—	0.93
3 Yr Sharpe Ratio	-0.28	1.00	1.75
3 Yr Alpha	-0.73	—	-1.78
3 Yr R-squared	54.23	—	1.18

## Morningstar Sectors as of 09-30-08

Sector	Fund%	S&P 500%
Information	0.57	19.27
Software	0.57	4.02
Hardware	0.00	9.48
Media	0.00	2.72
Telecommunication	0.00	3.05
Service	99.43	40.95
Healthcare Service	98.90	13.10
ConsumerService	0.00	7.45
Business Service	0.53	4.74
Financial Service	0.00	15.66
Manufacturing	0.00	39.79
Consumer Goods	0.00	10.65
Industrial Materials	0.00	12.22
Energy	0.00	13.43
Utilities	0.00	3.49

## Operations

Expense Ratio	1.59% of fund assets
Fund Inception Date	06-19-01
Initial Share Class	06-19-01
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.