

Rydex VT NASDAQ-100 2x Strategy Fund

Investment Strategy from investment's prospectus

The investment seeks to provide investment results that match the performance of a specific benchmark on a daily basis, currently 200% of the performance of the NASDAQ 100 index.

The fund invests in leveraged instruments, such as equity index swaps, futures contracts and options on securities, futures contracts, and stock indices. It is nondiversified.

Past name(s): Rydex Variable Trust OTC 2x Strategy.

Category Description: Large Growth

Large-growth funds invest in big companies that are projected to grow faster than other large-cap stocks. Most of these funds focus on companies in rapidly expanding industries.

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	74.9
Non U.S. Stocks	-3.8
Bonds	0.0
Cash	28.9
Other	0.0
Total	100.0

Top 20 Holdings as of 09-30-08	% Assets
FUTURES	9.72
Apple, Inc.	8.30
Qualcomm, Inc.	5.02
Microsoft Corporation	4.95
Google, Inc.	3.44
Cisco Systems, Inc.	2.81
Oracle Corporation	2.58
Gilead Sciences, Inc.	2.44
Research in Motion, Ltd.	2.28
Intel Corporation	2.18
Amgen, Inc.	1.73
Teva Pharmaceutical Industries, Ltd. ADR	1.70
Celgene Corporation	1.68
Comcast Corporation A	1.67
Genzyme Corporation	1.61
eBay, Inc.	1.28
The DIRECTV Group, Inc.	1.25
Adobe Systems Inc.	1.21
Amazon.com, Inc.	1.21
Activision Blizzard, Inc.	1.07
Total Number of Stock Holdings	102
Total Number of Bond Holdings	0
Annual Turnover Ratio %	203
Total Fund Assets (\$mil)	37.32

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

	% Mkt Cap
Giant	46.46
Large	28.73
Medium	24.39
Small	0.42
Micro	0.00

Statistics as of 09-30-08	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	16.61	1.34	1.00
P/B Ratio	3.07	1.57	1.02
P/C Ratio	9.67	1.32	0.92
GeoAvgCap (\$mil)	30,403.81	0.67	0.94

Risk Measures as of 09-30-08	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	36.01	3.16	2.53
3 Yr Beta	2.90	—	2.57
3 Yr Sharpe Ratio	-0.20	0.71	0.71
3 Yr Alpha	1.97	—	-5.63
3 Yr R-squared	82.43	—	1.01

Morningstar Sectors as of 09-30-08	Fund%	S&P 500%
Information	61.07	19.27
Software	18.69	4.02
Hardware	34.24	9.48
Media	6.68	2.72
Telecommunication	1.46	3.05
Service	36.12	40.95
Healthcare Service	16.69	13.10
ConsumerService	10.06	7.45
Business Service	9.37	4.74
Financial Service	0.00	15.66
Manufacturing	2.81	39.79
Consumer Goods	0.20	10.65
Industrial Materials	2.61	12.22
Energy	0.00	13.43
Utilities	0.00	3.49

Operations

Expense Ratio	1.66% of fund assets
Fund Inception Date	10-01-01
Initial Share Class	10-01-01
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.