Rydex VT Banking Fund

Investment Strategy from investment's prospectus

The investment seeks to provide capital appreciation.

The fund primarily invests in equity securities of banking 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-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.

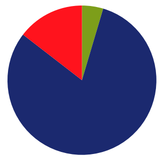
Notes

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

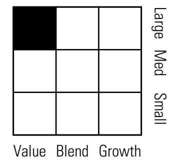
The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against a loss in a declining market.

Portfolio Analysis as of 09-30-08



Composition as of 09-30-08	% Assets
U.S. Stocks	80.9
Non-U.S. Stocks	14.6
Bonds	0.0
Cash	4.6
Other	0.0

Morningstar Style Box™ as of 09-30-08



	% Mkt Cap
Giant	35.54
Large	10.31
Medium	31.71
Small	22.42
Micro	0.02

Top 20 Holdings as of 09-30-08	% Assets
Wells Fargo Company	5.46
J.P. Morgan Chase & Co.	4.64
US Bancorp	4.64
Bank of America Corporation	4.63
HSBC Holdings PLC ADR	4.20
Credit Suisse Group ADR	4.03
Barclays PLC ADR	3.37
UBS	2.95
PNC Financial Services Group	2.75
BB&T Corporation	2.72
SunTrust Banks, Inc.	2.30
UnionBanCal Corporation	2.06
M & T Bank Corporation	1.84
Hudson City Bancorp, Inc.	1.60
People's United Financial, Inc.	1.45
Marshall & Ilsley Corp.	1.38
Regions Financial Corporation	1.31
KeyCorp	1.30
Zions Bancorporation	1.23
Comerica Incorporated	1.22
Total Number of Stock Holdings	74
Total Number of Bond Holdings	0
Annual Turnover Ratio %	405
Total Fund Assets ($mil)	27.83

Statistics as of 09-30-08	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	16.61	1.34	1.38
P/B Ratio	1.00	0.51	0.94
P/C Ratio	—	—	—
GeoAvgCap ($mil)	11,707.22	0.26	0.75

Risk Measures as of 09-30-08	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	17.90	1.57	1.10
3 Yr Beta	0.81	—	0.78
3 Yr Sharpe Ratio	-0.90	3.21	1.55
3 Yr Alpha	-13.58	—	2.12
3 Yr R-squared	26.11	—	0.47

Morningstar Sectors as of 09-30-08	Fund%	S&P 500%
Information	0.00	19.27
Software	0.00	4.02
Hardware	0.00	9.48
Media	0.00	2.72
Telecommunication	0.00	3.05
Service	100.00	40.95
Healthcare Service	0.00	13.10
ConsumerService	0.00	7.45
Business Service	0.00	4.74
Financial Service	100.00	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

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.

Operations

Expense Ratio	1.59% of fund assets
Fund Inception Date	05-02-01
Initial Share Class Inception Date	05-02-01
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.