



DYNAMIC ADVANTAGE PROGRAM®

RYDEX ADVISORY SERVICES, LLC

ASSET ALLOCATION PROGRAM BROCHURE May, 2008



This brochure provides clients with information about Rydex Advisory Services, LLC and the Dynamic Advantage Program[®] offered through America's marketFLEX[®], marketFLEX[®] Advisor and marketFLEX[®] II Annuities and is distributed in accordance to SEC Rule 204-3. The information included in this brochure should be considered carefully before becoming a client of the Dynamic Advantage Program[®]. This information has not been approved or verified by any governmental authority.

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THE DYNAMIC ADVANTAGE PROGRAM®

Rydex Advisory Services, LLC's ("RAS") Dynamic Advantage Program® ("DAP") is an asset allocation service facilitated by Nationwide Life Insurance Company ("Nationwide") through its America's marketFLEX®, marketFLEX® Advisor and marketFLEX® II Annuities. DAP enables contract owners to have their contract assets invested according to one of 16 asset allocation models ("Models"). DAP and its Models are specifically designed to accommodate an investment philosophy that permits frequent movement among and between the individual subaccounts that populate the Models. The Models, which diversify among asset classes in an attempt to achieve specific investment goals, are based on an investor's profile or willingness to accept investment risk. The Models are:

FOCUSED STRATEGIES	DIVERSIFIED SOLUTIONS
First Quadrant Conservative Tactical Asset Allocation Portfolio	RAS Conservative Multi-Strategy Portfolio
First Quadrant Moderate Tactical Asset Allocation Portfolio	RAS Moderate Multi-Strategy Portfolio
First Quadrant Aggressive Tactical Asset Allocation Portfolio	RAS Aggressive Multi-Strategy Portfolio
Dorsey Wright Tactical Asset Allocation Portfolio	COMPLETE PORTFOLIOS
Dorsey Wright Style Rotation Portfolio	RAS Conservative Complete Portfolio
Dorsey Wright Sector Rotation Portfolio	RAS Balanced Complete Portfolio
	RAS Growth Complete Portfolio
	RAS Aggressive Growth Complete Portfolio
	CLS Conservative Complete Portfolio
	CLS Moderate Complete Portfolio
	CLS Aggressive Complete Portfolio

Each Model is primarily comprised of subaccounts that correspond to underlying mutual funds of the Rydex Variable Trust (the "Rydex funds"). Most Rydex funds are designed to accommodate active asset allocation strategies. The Rydex funds within each Model and their weightings are selected according to each Model's investment strategy. Non-Rydex funds may also be used where appropriate.

In providing DAP, RAS acts as investment advisor to the annuity's contract owners, who are primarily individuals, but who also include trusts, estates, foundations, charitable organizations, and other business entities. In its capacity as investment advisor to contract owners, RAS is responsible for developing and maintaining the Models as described in more detail below. RAS may discontinue existing Models at any time upon notice to contract owners and may also add new models from time to time.

MODELS MAINTAINED BY THIRD-PARTY INVESTMENT MANAGERS ("TPIM(s)")

RAS has enlisted the services of TPIMs to provide analysis and nondiscretionary investment advice in connection with the construction and maintenance of certain Models. Currently, RAS has contracted with the following TPIMs: First Quadrant, L.P. ("First Quadrant"), Dorsey Wright and Associates ("Dorsey Wright") and CLS Investment Firm, LLC. The TPIMs develop and maintain certain Models, including

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the selection of subaccounts that populate the Models. The TPIMs do not have discretionary authority or control over the contract assets and have no investment advisory relationships with the contract owners who participate in DAP. RAS may replace any or all of the TPIMs and retain other analytical firms to develop and update asset allocation models for DAP (where permitted by law) in the future. RAS will provide contract owners with prompt written notice after any termination or addition of a TPIM.

Each TPIM develops and maintains its respective Models in addition to providing RAS with periodic Model reallocation signals and changes in subaccount selection. RAS is responsible for implementing these signals and changes within the models in addition to overseeing and ensuring that TPIMs adhere to the investment objectives and model constraints described in the ADV.

MODELS MAINTAINED BY RAS

RAS also develops and maintains certain Models independent of TPIMs. RAS's Portfolio Management Department uses Essential Portfolio Theory® ("EPT") as a basis for the various asset allocation models it offers. EPT is an evolutionary investment paradigm that complements and expands Harry Markowitz's Nobel Prize-winning Modern Portfolio Theory by taking into account the developments that influence today's financial markets such as modern financial instruments, improved information and trading systems, and enhanced diversification and risk management techniques. EPT seeks to take advantage of the dynamic nature of modern markets by increasing portfolio diversification and managing risk. EPT incorporates seven tenets of leading institutional investors, including, among others, the use of broader diversification options, leverage, and long/short strategies. To learn more about the seven tenets of EPT, ask your financial advisor.

MODEL ASSET ALLOCATION INVESTMENT STRATEGIES

Each DAP Model is managed pursuant to one of three types of asset allocation investment strategies. The strategies are categorized as follows:

1. FOCUSED STRATEGIES:

Rydex's DAP offers six Focused Strategies portfolios to help contract owners benefit from an active portfolio construction framework. RAS has enlisted the services of TPIMs to provide analysis and nondiscretionary investment advice in connection with the construction and maintenance of these portfolios. Each of these portfolios is intended to add a complementary specific market segment and management style strategy to a typical core portfolio. The TPIMs focus on tactical asset management in an attempt to add value. Each portfolio is managed by one of the following two well-known institutional investment management firms: First Quadrant, LP and Dorsey Wright. The Focused Strategies portfolios may be appropriate for contract owners looking to improve diversification and enhance the risk-return characteristics in their overall portfolio. Focused Strategies can help contract owners who want to improve portfolio performance without replacing all of their portfolio's existing assets.

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2. DIVERSIFIED SOLUTIONS:

Rydex's DAP offers three Diversified Solutions portfolios to help contract owners benefit from the portfolio construction framework defined under EPT. The three Diversified Solutions portfolios are intended to add a complementary combination of alternative and traditional active strategies and asset classes to a typical core portfolio. The Diversified Solutions portfolios may be appropriate for contract owners seeking to improve diversification and enhance the risk-return characteristics in their overall portfolio.

3. COMPLETE PORTFOLIOS:

Rydex's DAP offers seven Complete Portfolios. Four RAS proprietary models offer portfolio management solutions that incorporate the portfolio construction framework defined under EPT. Three CLS models offer a risk budgeting management solution.

The RAS EPT solution incorporates traditional and alternative asset classes and strategies. Each of the RAS Complete Portfolios is designed to be a contract owner's core holding based on carefully defined risk-return characteristics. Each RAS Complete Portfolio offers a dynamically-managed alternative to long-only traditional asset allocation strategies. The RAS Complete Portfolios may be appropriate for contract owners seeking to fully convert their holdings to an EPT format and garner the maximum benefit that EPT may provide. The RAS Complete Portfolios may also be appropriate for contract owners who want to be less reliant on domestic equities to generate their expected returns, and less reliant on fixed-income exposure to control volatility.

CLS uses a core and satellite methodology to capitalize on growing segments of the market during all market conditions—up, down, and flat. The core assets are managed by CLS using a unique, disciplined, active investment strategy called Risk Budgeting. Risk Budgeting allows CLS to keep the risk level of the core portfolio constant while actively seeking opportunities to outperform the market. The satellite assets are managed based on research from a carefully screened list of tactical money management firms according to the tactical money management firms' long-term expected risk characteristics.

	FOCUS STRATEGIES (FS): SIX MODELS	DIVERSIFIED SOLUTIONS (DS): THREE MODELS	COMPLETE PORTFOLIOS (CP): SEVEN MODELS
Summary	Each FS model is developed and maintained by one investment manager and utilizes a specific unique investment strategy.	Unlike the FS models, each DS model utilizes various types of alternative investment strategies that incorporate alternative asset classes.	The CP models incorporate a more balanced asset allocation strategy. In addition to traditional asset classes, they utilize various types of alternative assets.
	FOCUSED	DIVERSIFIED	COMPLETE
Model Managers	<ul style="list-style-type: none"> • First Quadrant, LP • Dorsey Wright and Associates 	Rydex Advisory Services, LLC	<ul style="list-style-type: none"> • Rydex Advisory Services, LLC • CLS Investment Firm, LLC

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	FOCUSED	DIVERSIFIED	COMPLETE
Other Features	<ul style="list-style-type: none"> • Managed based on the assumption that up to 30% of an investor's portfolio will be allocated to a model • Models vary based on: <ul style="list-style-type: none"> - Investment manager - Type of alternative investment strategy - Level of risk 	<ul style="list-style-type: none"> • Managed based on the assumption that up to 50% of an investor's portfolio will be allocated to a model • Models vary based on level of risk 	<ul style="list-style-type: none"> • Managed based on the assumption that up to 100% of an investor's portfolio will be allocated to a model • Models vary based on level of risk • CLS models incorporate risk budgeting with tactical satellite approach.
Model Selection	<p>A FS model may be right for you if you and your investment professional:</p> <ul style="list-style-type: none"> • Decide that you can only allocate a small portion of your investment portfolio to the DAP rider • Want to use a specific investment manager • Want to use one investment strategy, either tactical asset allocation, sector rotation or style rotation 	<p>A DS model may be right for you if you and your investment professional:</p> <ul style="list-style-type: none"> • Decide that you can allocate a larger portion of your investment portfolio to the DAP rider • Want to diversify your allocation with multiple alternative investment strategies and asset classes 	<p>A CP model may be right for you if you and your investment professional:</p> <ul style="list-style-type: none"> • Decide that you can allocate your entire investment portfolio to the DAP rider • Want to diversify your allocation with multiple alternative investment strategies and asset classes • Want to also incorporate a more balanced asset allocation strategy that includes traditional asset classes

GLOSSARY OF INVESTMENT TERMS

- **Sector rotation:** an investment strategy that shifts investment assets from one sector of the economy to another
- **Style rotation:** an investment strategy that rotates investment assets across style boxes—large, medium, small, value, blend and growth
- **Tactical asset allocation:** an active portfolio management strategy that rebalances the percentage of assets held in various investments in order to take advantage of current market conditions

Traditional investment strategy using strategic asset allocation

- Investment strategy that may change periodically
- Investment selection driven by stated investment objectives, risk tolerance and time horizon
- Typical holdings include traditional investments such as stocks, bonds and cash
- Positioned to attempt to seek long-term growth potential and strong markets

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Alternative investment strategy using dynamic asset allocation

- Investment strategy that can change frequently
- Investment selection driven by the changing market environment
- Offers greater selection of alternative investments such as commodities and Real Estate Investment Trusts (REITs)
- Positioned to attempt to mitigate short-term risk in weak and flat markets

THE MODELS

Each Model is comprised of subaccounts reflecting the underlying Rydex Variable Trust mutual funds. Rydex Variable Trust is a registered open-end investment company consisting of multiple Rydex funds. PADCO Advisors II, Inc., d/b/a Rydex Investments is the investment advisor to the Rydex Variable Trust. Rydex funds invest in various types of securities depending on their investment strategy, including among others, U.S. and non-U.S. equity and fixed income securities. Rydex funds may be added to or eliminated from Rydex Variable Trust at any time. Information regarding the Rydex Variable Trust and the investment strategies and risks of Rydex funds is available in the Rydex Variable Trust Prospectus. No assurance can be given that a Rydex fund will achieve its investment objective. Contract owners should read the Rydex Variable Trust Prospectus carefully before participating in DAP. A brief commentary of all 16 Models is provided below.

MODEL	MODEL NAME	ALLOCATION BENCHMARK	RISK	INVESTMENT HORIZON	INVESTMENT STYLE
Focused Strategies	First Quadrant Tactical Conservative Asset Allocation Portfolio	<ul style="list-style-type: none"> • 26.7% Rydex Nova Fund • 50.0% Rydex Gov't. Long Bond 1.2x Strategy Fund • 10.0% Rydex Commodities Strategy Fund • 13.3% Rydex U.S. Gov't. Money Market Fund 	Low	3-Year Minimum	Fundamental/Quantitative
	First Quadrant Moderate Tactical Allocation Portfolio	<ul style="list-style-type: none"> • 33.3% Rydex Nova Fund • 41.7% Rydex Gov't Long Bond 1.2x Strategy Fund • 12.5% Rydex Commodities Strategy Fund • 12.5% Rydex U.S. Gov't. Money Market Fund 	Moderate	4-Year Minimum	Fundamental/Quantitative

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MODEL	MODEL NAME	ALLOCATION BENCHMARK	RISK	INVESTMENT HORIZON	INVESTMENT STYLE
	First Quadrant Aggressive Tactical Asset Allocation Portfolio	<ul style="list-style-type: none"> • 40% Rydex Nova Fund • 33% Rydex Gov't Long Bond 1.2x Strategy Fund • 15% Rydex Commodities Strategy Fund • 12% Rydex U.S. Gov't. Money Market Fund 	Moderately High	5-Year Minimum	Fundamental/Quantitative
	Dorsey Wright Tactical Asset Allocation Portfolio	<ul style="list-style-type: none"> • 60% Russell 3000® Index • 40% Lehman Brothers Aggregate Bond Index 	Moderately High	5-Year Minimum	Technical/Discretionary
	Dorsey Wright Style Rotation Portfolio	<ul style="list-style-type: none"> • 25% S&P 500® • 25% S&P 400® • 25% S&P 600® • 25% Lehman Brothers Aggregate Bond Index 	Moderately High	5-Year Minimum	Technical/Quantitative
	Dorsey Wright Sector Rotation Portfolio	<ul style="list-style-type: none"> • 100% S&P 500® 	Moderately High	6-Year Minimum	Technical/Quantitative
Diversified Solutions	RAS Conservative Multi-Strategy Portfolio	<ul style="list-style-type: none"> • 15% Russell 3000® Index • 25% S&P REIT Composite Index • 15% S&P GSCI™ Commodities Index (S&P GSCI™) • 45% DJ Hedge Fund Balanced Portfolio Index 	Low	3-Year Minimum	EPT/Quantitative
	RAS Moderate Multi-Strategy Portfolio	<ul style="list-style-type: none"> • 20% Russell 3000® Index • 20% S&P REIT Composite Index • 30% S&P GSCI™ Commodities Index (S&P GSCI™) • 30% DJ Hedge Fund Balanced Portfolio Index 	Moderate	4-Year Minimum	EPT/Quantitative
	RAS Aggressive Multi-Strategy Portfolio	<ul style="list-style-type: none"> • 25% Russell 3000® Index • 15% S&P REIT Composite Index • 45% S&P GSCI™ Commodities Index (S&P GSCI™) • 15% DJ Hedge Fund Balanced Portfolio Index 	High	6-Year Minimum	EPT/Quantitative

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MODEL	MODEL NAME	ALLOCATION BENCHMARK	RISK	INVESTMENT HORIZON	INVESTMENT STYLE
Complete Portfolios	RAS Conservative Complete Portfolio	<ul style="list-style-type: none"> • 53% Lehman Aggregate Bond Index • 40% Russell 3000® Index • 7% U.S. Treasury Bills 	Low	3-Year Minimum	EPT/ Quantitative
	RAS Balanced Complete Portfolio	<ul style="list-style-type: none"> • 60% Russell 3000® Index • 35% Lehman Aggregate Bond Index • 5% U.S. Treasury Bills 	Moderate	4-Year Minimum	EPT/ Quantitative
	RAS Growth Complete Portfolio	<ul style="list-style-type: none"> • 75% Russell 3000® Index • 22% Lehman Aggregate Bond Index • 3% U.S. Treasury Bills 	Moderately High	5-Year Minimum	EPT/ Quantitative
	RAS Aggressive Growth Complete Portfolio	<ul style="list-style-type: none"> • 90% Russell 3000® Index • 9% Lehman Brothers Aggregate Bond Index • 1% U.S. Treasury Bills 	High	6-Year Minimum	EPT/ Quantitative
	MODEL	MODEL NAME	ALLOCATION BENCHMARK	RISK	INVESTMENT HORIZON
	CLS Conservative Complete Portfolio	<ul style="list-style-type: none"> • 50% S&P 500® • 50% Lehman 1-5-Year Government Credit 	Low	4-Year Minimum	Risk Budgeted with Tactical Satellite
	CLS Moderate Complete Portfolio	<ul style="list-style-type: none"> • 70% S&P 500® • 30% Lehman 1-5-Year Government Credit 	Moderate	5-Year Minimum	Risk Budgeted with Tactical Satellite
	CLS Aggressive Complete Portfolio	<ul style="list-style-type: none"> • 90% S&P 500® • 10% Lehman 1-5-Year Government Credit 	High	6-Year Minimum	Risk Budgeted with Tactical Satellite

PERIODIC UPDATES OF THE MODELS AND NOTICES OF UPDATES

The RAS Portfolio Management Department, under the supervision of the RAS Investment Committee, will be responsible for evaluating the Models to assess whether the combination and allocation percentages of subaccounts within each Model are in line with the Model requirements. These evaluations

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will be completed at every Model reallocation event. Additionally, the Portfolio Management Department conducts several analyses completed on a monthly and quarterly basis. The TPIMs and the RAS portfolio manager will generate updates or changes to the Models, which may include changes to a Model's asset allocation or to the selection of subaccounts available in the Model. RAS will update the Models based on the information provided by each TPIM as required.

RAS, in coordination with Nationwide, will notify contract owners, via their Online Nationwide Customer Account, of the implementation of any Model allocation change at least 48 hours (including holidays and weekends) prior to effecting the change. Contract owners should review these notices carefully. Contract owners will not receive advance electronic notice of the first model allocations (and any model changes within 48 hours) upon enrollment in DAP, the composition of a new model selected by a contract owner, or changes to a contract owner's account caused by purchases and surrenders (including withdrawals and redemptions). If a contract owner does not object to the Model changes, he or she need not take any action. If a contract owner does object to any Model changes, he or she may opt out of the allocation change, which will terminate his or her participation in DAP. Nationwide will provide paper copies of any disclosure document provided via a contract owner's Online Nationwide Customer Account, free of charge, at the request of the contract owner.

MODEL REALLOCATION INSTRUCTIONS

RAS will implement all necessary transactions to effectuate any reallocations in response to internally generated reallocation signals and reallocation signals received from TPIMs 48 hours after contract owners have been notified of the allocation changes. RAS will provide the reallocation instructions for each Model to Nationwide, and the contract assets of contract owners participating in the Model will be reallocated. Such instructions are provided periodically depending on the frequency of the reallocation signals. If the scheduled date for the reallocation is a Saturday, Sunday, recognized holiday or any other date that the New York Stock Exchange ("NYSE") is closed, the reallocation will occur on the next business day.

SELECTING A MODEL

A contract owner may enroll in DAP by entering into a Client Agreement with RAS and completing the Model Election Enrollment Form and Rider Election Form. A contract owner's contract value will remain in "pending" status until all forms are received in good order and the contract owner has registered for his or her Online Nationwide Customer Account. Once all forms are processed and a contract owner has successfully demonstrated the ability to access his or her Online Nationwide Customer Account, the contract owner's contract value will be allocated in accordance with the subaccount allocations of the Model selected by the contract owner. A contract owner may not select more than one Model at a time.

It is the contract owner's responsibility to select a Model that is appropriate for his or her investment goals. A contract owner should consult a qualified financial advisor who can assist in determining the most appropriate Model based on the contract owners' particular financial needs, time horizon and willingness to accept investment risk. The qualified financial advisor may use tools provided by RAS or third parties to make this determination. It is the contract owner's responsibility to notify their quali-

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fied financial advisor of any changes to their financial situations or risk profile. Contract owners should periodically review their financial situation and risk profile together with their qualified financial advisor to determine whether changes to their Model selection are needed.

The Models are designed to optimize returns based on different risk tolerances. However, the Models may not perform as intended, and RAS does not guarantee that participation in DAP will result in a profit or protect against a loss. Investment performance of a contract owner's account could be better or worse by participating in DAP than if the contract owner had not participated. A Model may perform better or worse than any single subaccount or asset class or another combination of subaccounts and asset classes.

CHANGING MODELS WITHIN DAP

Contract owners may elect to change Models within DAP by completing a new Model Election Form and submitting it to Nationwide. As soon as practicable after receipt of the Model Election Form, RAS will reallocate the contract owner's contract value in accordance with the subaccount allocations of the replacement Model selected by the contract owner. Contract owners should carefully review the details regarding changing Models within DAP which are included in the America's marketFLEX®, marketFLEX® Advisor or marketFLEX® II Annuities prospectuses, and DAP Model Election and Rider Election Forms. In the event RAS elects to discontinue a Model, RAS in coordination with Nationwide, will provide contract owners notice and an opportunity to change Models within DAP by completing a new Model Election Form prior to the closing of the Model. However, if a contract owner does not change Models within DAP by submitting a new Model Election Form prior to the closing date of the Model, RAS reserves the right to transfer the contract owner's contract value to the Money Market option in the contract, currently the NVIT Money Market Fund II, which will terminate the contract owner's participation in DAP. The contract owner's contract value will remain invested in the Money Market option in the contract, currently the NVIT Money Market Fund II, until such time as the contract owner redeems his or her investment, selects another investment option or completes a new DAP Model Election Form.

RAS INVESTMENT AND REVIEW PROCESS

RAS's Portfolio Manager(s) is responsible for managing the TPIM relationships with First Quadrant, Dorsey Wright and CLS. RAS's Investment Committee is responsible for overseeing the activities of the Portfolio Manager(s) including the Portfolio Manager's ongoing monitoring of the services provided by each TPIM in developing and maintaining the Models.

The Portfolio Manager is responsible for conducting weekly reviews of the Models under the supervision of the Rydex Advisory Services Investments Committee (RASIC). These weekly reviews consist of benchmark relative performance presented to the RASIC. All contract owner accounts managed according to a Model are grouped into one category. The performance of each Model is then compared to its underlying benchmark. The Portfolio Manager is also responsible for reviewing each Model periodically, not less than quarterly, to ensure that the composition of each Model is consistent with the investment objective/style articulated in the Model's investment policy statement.

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Signal Review: Additionally, the Portfolio Manager is responsible for performing the review process when RAS receives reallocation signals. These reallocation signals are generated by the TPIMs or RAS on an as-and-when basis depending on factors such as investment strategies, and market and economic indicators, and investment objectives. The signal review begins when the Portfolio Manager is notified of a signal by an internally developed tool called “RAS Software.” The RAS Software runs the signal through the rules and objectives attached to the Model and notifies the Portfolio Manager if there are any violations of the rules. For example, if a certain Model has a rule of not investing more than 20% of the total portfolio assets in the Rydex Real Estate Fund and the signal instruction was to reallocate the portfolio’s assets to 25% allocation in real estate securities, the RAS Software would alert the Portfolio Manager of a Model rule violation. If there are no violations, the Portfolio Manager will accept the signal and communicate the acceptance of the reallocation. In the event of a violation, the Portfolio Manager will reject the signal and inform the respective parties to research the issue and resubmit the signal.

The Portfolio Manager(s) is ultimately responsible for the maintenance of all 16 Models. A list of the Investment Committee members who will oversee the review process is included below.

TERMINATING PARTICIPATION IN DAP

The contract owner may terminate his or her participation in DAP at anytime: (i) upon notice to Nationwide in a form acceptable to Nationwide; (ii) by revoking consent to electronic delivery of DAP information; or (iii) by opting out of an allocation change to the Model in which the contract owner is invested. DAP terminations (or opt-outs) will be effective as soon as practicable on receipt and acceptance by Nationwide. Upon termination of a contract owner’s participation in DAP, the contract value will remain allocated in the subaccounts of the current Model selection effective at that time until new instructions from the contract owner are received by Nationwide.

RAS and Nationwide reserve the right to terminate the availability of DAP, or any model within DAP, at any time and neither party is obligated to continue this service.

It is strongly recommended that contract owners carefully review the terms of participation in DAP in the America’s marketFLEX®, marketFLEX® Advisor or marketFLEX® II Annuities prospectuses and the Asset Allocation Service Rider (Dynamic Advantage Program®) and Model Election Form.

ADVISORY FEES AND EXPENSES

Contract owners will pay fees and expenses applicable to America’s marketFLEX®, marketFLEX® Advisor and marketFLEX® II Annuities, through which DAP is offered. As described in the individual annuity’s prospectus, Nationwide will deduct a charge equal to an annualized rate of not more than 0.35% of the daily net assets of the subaccount until the contract owner instructs Nationwide to discontinue use of DAP. For more information regarding these fees and expenses, see the applicable prospectus and the Nationwide Rider Election Form and Enrollment Form.

RAS does not charge contract owners investment advisory fees for use of DAP. Pursuant to an agreement between Rydex Distributors, Inc., an affiliate of RAS, and Nationwide Financial Services, Inc.,

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an affiliate of Nationwide, Rydex Distributors, Inc. pays reduced servicing and administrative fees to Nationwide Financial Services, Inc. for all assets that are invested in DAP.

Contract owners will also bear their proportionate share of fees and expenses of Rydex funds that comprise the Models to which they allocate their account value. The advisory fees and other expenses are not fixed or specified under the terms of the America's marketFLEX®, marketFLEX® Advisor and marketFLEX® II Annuities, and they may vary from year to year. The fees and expenses for Rydex funds are described in the Rydex Variable Trust Prospectus.

ERISA

For accounts subject to the fiduciary provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), RAS will acknowledge in writing in the Client Agreement its status as a fiduciary with respect to the advisory services provided under DAP.

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RAS, a registered investment advisor, serves as the investment advisor only to participating contract owners, who are primarily individuals. Additionally, RAS offers the DAP program in a non-advisory capacity to Financial Intermediaries through the use of investment signals for the models. RAS's principal and only business activity is the sponsorship of DAP. RAS' executive officers are also the executive officers of RAS' parent company, PADCO Advisors II, Inc., and other affiliates such as PADCO Advisors, Inc., all collectively doing business as (d/b/a) Rydex Investments. Their principal business is to oversee the business activities of RAS and other Rydex affiliates.

RAS has limited discretionary investment authority over a contract owner's DAP account to allocate and reallocate contract assets in accordance with the model selected by the contract owner. Under limited circumstances, RAS' limited discretionary investment authority also permits RAS to transfer a contract owner's contract value from a Model that is scheduled to be closed to the Money Market option in the contract, currently the NVIT Money Market II. A contract owner may terminate this limited discretionary investment authority upon proper notice to Nationwide in a form acceptable to Nationwide.

EDUCATION AND BUSINESS STANDARDS OF CERTAIN RAS PERSONNEL

For those persons involved in determining or giving investment advice to clients, RAS generally requires a college degree and/or sufficient proven industry experience. The table below includes the educational and business background of the members of the RAS Investment Committee.

INVESTMENT COMMITTEE MEMBERSHIP

The following individuals are members of the RAS Investment Committee:

MEMBER (YEAR OF BIRTH)	FORMAL EDUCATION	BUSINESS BACKGROUND FOR PRECEDING 5 YEARS
David Reilly (1957)	Washington and Jefferson College 1976-1978	2004-Present: Director of Portfolio Strategies, Rydex Investments
	Skidmore College, 1978-1980, BA Government	2002-2004: Senior Vice President, Research, LPL Financial Services
		2001-2002: Director of Institutional Marketing and Communication, State Street Research
		1997-2001: Senior Vice President and Director of Investment Communications, Prudential Investments

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MEMBER (YEAR OF BIRTH)	FORMAL EDUCATION	BUSINESS BACKGROUND FOR PRECEDING 5 YEARS
Doug Holmes (1954)	North Eastern University, 1973–1977 BS Mathematics	2007 – Present Director of Stock Selection & Asset Allocation October 2005-2007: Strategic Advisor Portfolio, Rydex Investments 2003-2005: Consultant, Rydex Investments 1984-2003: Head of Department, Globally Enhanced Equity Group, State Street Global Advisors/ State Street Bank & Trust Company
Adrian Bachman CFA (1973)	University of Maryland, College Park, 1991-1995, BS Finance and International Business	2002-Present: Portfolio Manager, Rydex Investments 1997-2002: Assistant Portfolio Manager, Rydex Investments
Tom Matteini (1975)	Loyola College, 1993-1997, BA Psychology	January 2007-Present: Senior Derivatives Trader, Rydex Invest- ments January 2006-August 2006: Equity Trader, Rydex Invest- ments January 2004-January 2007: Derivatives Trader, Rydex Invest- ments January 2003-January 2004: Senior RFS Trader, Rydex Finan- cial Services August 2002-January 2003: Assistant, Kennedy Kreiger Insti- tute July 2001-August 2002: Broker Trader, TJM Institutional Services
Matthew J. Krimm (1983)	Northwood University, 2001-2005, BBA Finance	2008 – Present Assistant Portfolio Manager, Rydex Investments 2006 –2007 Research Associate, Rydex Investments 2005-2006 Institutional Trade Specialist, Rydex Investments

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MEMBER (YEAR OF BIRTH)	FORMAL EDUCATION	BUSINESS BACKGROUND FOR PRECEDING 5 YEARS
Benyiman Fa'iz Yehlem Marhami (1983)	George Washington University, 2001-2005, BA International Economics	March 2008 -Present: Portfolio Strategist, Rydex Investments January 2006-March 2008: Portfolio Analyst, Rydex Investments June 2003-January 2006: Portfolio Analyst, Armstrong, Fleming & Moore, Inc.

RAS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

RAS does not buy securities from or sell securities to its clients for its own account, nor does RAS effect securities transactions for compensation as a broker or agent. RAS does not determine the broker or dealer to be used or the commission rates paid.

RAS may have conflicts of interest in the selection of subaccounts in the Models. The subaccounts offered through DAP correspond to underlying mutual funds offered by Rydex Variable Trust and managed and serviced by RAS affiliates. RAS's affiliates receive fees for providing investment advisory, administrative, transfer agency, distribution and other mutual fund-related services to the subaccounts included in the Models. RAS believes that Rydex funds are appropriate for DAP and that they offer advantages other third party mutual funds do not offer. Several of the DAP Models are designed to provide active asset allocation strategies that may require frequent trading. Because the Rydex funds were originally created for the tactical investor, most of the funds contain investments that are relatively liquid and cost effective to trade. This makes these offerings especially appropriate for frequent trading, particularly when compared to similar products offered by competitors. Rydex also provides a broad array of uncorrelated investment options which do not allow for frequent trading. These funds provide investment options that are in contrast to many mutual fund providers that concentrate on a particular type of portfolio or investment strategy.

RAS may give advice and take action in the performance of its duties in DAP that differ from advice given, or the timing and nature of action taken, with respect to other clients' accounts in other programs offered by RAS.

COMPENSATION RECEIVED BY RAS OR ITS AFFILIATES

RAS maintains an operational agreement with PADCO Advisors II, Inc. in order to avail itself of the services of certain vendors or service providers. Certain affiliates of RAS receive asset-based fees for providing investment management and other services to Rydex funds.

CODE OF ETHICS

Pursuant to Rule 204A-1 under the Advisors Act, investment advisors registered with the Securities and Exchange Commission (SEC) are required to have a code of ethics. RAS' Combined Code of Ethics applies to the personal investing activities of officers and certain employees ("Access Persons"). Rule 204A-1 and the code are designed to prevent unlawful practices in connection with the purchase or sale of securities by Access Persons. Under the code, Access Persons are permitted to engage in

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personal securities transactions, but are required to report their personal securities transactions for monitoring purposes. In addition, certain Access Persons may not invest in initial public offerings and are required to obtain approval before investing in private placements. RAS' code sets forth standards of conduct expected of its Access Persons. RAS is committed to reflecting the highest standards of professional conduct, ethical behavior and personal integrity. All Access Persons must:

- Place the interests of RAS' clients first at all times and uphold the duties of care, honesty and loyalty;
- Avoid and disclose any actual or potential conflict of interest with the interests of RAS' clients, which may arise where RAS or any of its Access Persons has reason to favor the interests of any other person or business over the best interest of any client;
- Conduct all personal securities transactions, including those involving reportable funds (as defined by the code) in a manner consistent with the code;
- Adhere to the fundamental standard that they will not take inappropriate advantage of their positions of trust and responsibility; and
- Comply with all applicable Federal securities laws.

All potential violations of the code will be reported to senior management of RAS and will result in appropriate disciplinary actions.

The code is on file with the SEC and a client of RAS may request a copy of RAS' Code of Ethics by sending a written request to:

Rydex Advisory Services, LLC
9601 Blackwell Road, Suite 500, Rockville, MD 20850

RAS OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

RAS is not registered as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor. RAS, nor any of its affiliates, is not a general partner in any partnership in which clients are solicited to invest.

Rydex Investments is a wholly owned subsidiary of Security Benefit Corporation.

RAS has arrangements that are material to its advisory business with the following affiliates:

- Rydex Distributors, Inc., a registered broker-dealer and futures commission merchant, serves as the distributor of Rydex funds.
- PADCO Advisors I, Inc., a registered investment advisor, serves as the manager of Rydex Series Fund and Rydex Dynamic Funds, both of which are open-end investment management companies registered under the Investment Company Act of 1940.
- PADCO Advisors II, Inc., a registered investment advisor, serves as the manager of Rydex Variable Trust and is the parent of RAS.
- Rydex Variable Trust, an open-end investment management company registered under the Investment Company Act of 1940, serves as the underlying investment vehicle for variable products

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offered by various insurance carriers including Nationwide.

RAS and its affiliates have significant business relationships with a TPIM, CLS, which could affect RAS's decision to retain CLS as a TPIM in the Program.

The following business relationships exist between Rydex, and its affiliates, and CLS and its affiliates:

1. CLS is a third party investment manager for the RAS DAP Program available through the America's marketFLEX®, marketFLEX® Advisor or marketFLEX® II Annuities.
2. CLS receives from Rydex Distributors, Inc. (RDI) payments for performing shareholder services with respect to Advisor and/or H-Class.
3. CLS has an investment advisor services agreement with Rydex Financial Services, Inc. (RFS) a Rydex affiliated company to facilitate CLS managed client accounts held by CLS clients at RFS.
4. CLS has brokerage account agreements with RFS Inc., a division of RDI, on behalf of the Amerigo, Berolina and Claremont mutual funds and the Amerigo VT, Berolina VT and Clermont VT funds to facilitate the trading of the mutual and VT funds. The Amerigo and Clermont variable trust funds are core portfolio holdings of the CLS Conservative Complete Portfolio, CLS Moderate Complete Portfolio and the CLS Aggressive Complete of the models that CLS created for the RAS DAP program available through the America's marketFLEX®, marketFLEX® Advisor and marketFLEX® II Annuities.
5. CLS purchases research and model investment portfolios provided by Rydex.
6. CLS has a shareholder and support services Agreement with Rydex for providing shareholder services in regards to the funds at SBL Advisor Designs.
7. CLS has a shareholder and support services agreement with Rydex in which CLS receives a fee for providing shareholders services in regards to the funds at America's marketFLEX®, marketFLEX® Advisor and marketFLEX® II Annuities.
8. CLS maintains a sub-transfer agency agreement with Rydex Fund Services for transfer agency services attending certain accounts within certain investment programs of CLS that utilize Rydex proprietary funds in conjunction with funds sponsored by the CLS affiliate Aquarius Fund Services.
9. Operations Service Agreement between Orion Advisor Services, a subsidiary of CLS and RDI whereby Orion provides back office operational support to Rydex and other investment advisors working with Rydex.
10. Agreement between RAS and Orion whereby Orion provides back office operations support. Included in this agreement are the online e-profile and investments policy statements tools that are made available to financial professionals may use to assist them in selecting a model for their clients.

RAS PROXY VOTING POLICY

RAS will not vote proxies, or make any requested elections, for assets in any contract owner's account, nor act for the contract owner in any legal proceeding, including class actions or bankruptcies, involving an asset in any contract owner's account or the issuer of any security or other asset in such account. Any proxies received by RAS will be sent to the applicable contract owners.



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