



Nationwide[®]
On Your Side

William G. Jurgensen
CHIEF EXECUTIVE OFFICER

Now and in the future, you can have confidence in Nationwide[®].

At Nationwide[®], we know that now is an uneasy time in the financial markets. That's why we want to provide you with details about our company to reassure you that we're here for you — now and in the future.

First, it's important to have perspective.

Time has taught us that financial markets are cyclical. So, while no one knows when we will reach the bottom of the current downturn, history would tell us that there will certainly be a bottom ... and things will improve from there. While there is no guarantee that history will repeat itself, it is reassuring to know that *Bull Markets* (when the market is up for an extended period of time) typically last an average of five years, while *Bear Markets* (when the market falls 20% or more from its last peak) last, on average, just 13 months.

As the markets continue to fluctuate, we advise that you stay focused on your long-term goals and seek the guidance of an investment professional to establish a plan to accomplish those goals.

There are many reasons you can continue to have confidence in Nationwide.

Nationwide, one of the largest providers of financial services in the United States, is ranked No. 108 on the *Fortune 500* based on 2007 revenue. We have been in business for over 80 years, helping customers prepare for and enjoy retirement through the ups and downs of the market.

The diversity of our businesses and breadth of our distribution network provide Nationwide with multiple sources of earnings and cash flows. Because of our success over the years, we are fortunate to have a strong balance sheet and a long history of maintaining a high quality investment portfolio, governed by a sound and disciplined investment policy.

As proof of that, we enjoy strong ratings from the rating agencies. This is validation that Nationwide has the resources available to pay claims and provide the high-quality, personalized service our customers have come to expect over the years.¹

In addition, one of the benefits of global diversification is we do not have large exposures to any particular risk or issuer. Nationwide's exposure to individual names in the news today, such as Fannie Mae, Freddie Mac, Lehman Brothers or AIG, is less than 1% of our total investment portfolio. Our subprime exposure is less than 2% of our portfolio holdings.

Of course, Nationwide is not immune to the current market downturn. However, we don't see anything in the current environment that would have an impact on our ability to fulfill our financial obligations and pay claims.

While it is impossible to avoid investment losses in this type of environment, we are comfortable with our overall holdings and quality of the investment portfolio. Our investment portfolio is performing as expected given the market environment.

Risk management is also one of our strengths.

Managing risk is a key competency for our business. It's something we've dedicated resources toward for many years. In fact, our risk management capabilities have been rated as "strong" by third-party rating agency Standard & Poor's — a rating only 10% of insurance companies shared with us as of April 2008.²

Regardless of whether we manage your retirement plan, issued your life insurance policy, administer your annuity or safeguard your money as a Nationwide Bank[®] customer, it has always been our goal to help you protect your family, your financial future and the things you care about. It's what we mean when we say Nationwide is On Your Side[®].

We're here to help.

Here are several options to help you get answers to questions you may have:

- Contact your investment professional directly
- Visit us online at nationwide.com/login (you'll need your account number and social security number)
- Call us at 1-800-848-6331; associates are available Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern time

For more information, please go to www.nationwide.com/investments-and-retirement.jsp

Thank you again for placing your trust in Nationwide. We look forward to continuing to earn it for a long time to come.

Sincerely,



William G. (Jerry) Jurgensen
Chief Executive Officer

¹ On March 10, 2008, Standard & Poor's (S&P) placed Nationwide Financial Services (NFS), its subsidiaries and related securities on CreditWatch with negative implications following the announcement of Nationwide Mutual Insurance Co's offer to acquire all outstanding shares of NFS common stock that it does not already own. According to S&P: "The CreditWatch reflects the lower financial strength ratings of the acquirer, as well as uncertainty regarding the potential effect on the capitalization of NFS and its subsidiaries, which has very strong capitalization that is supportive of the ratings."

² RatingsDirect report, "Nationwide Mutual Insurance Co. Intercompany Pool," Standard & Poor's, March 4, 2008 (affirmed August 8, 2008)

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