

# The BEST of AMERICA® Variable Products

*Investment Guide June 30, 2002*



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Before investing, understand that annuities products are not insured by the FDIC, NCUSIF, or any other government agency and are not deposits or obligations of, guaranteed by, or insured by, the depository institution where offered or any of its affiliates. Annuities products that involve investment risk may lose value.

# Investment Options



Broad Asset Classes 8 asset classes	Focused Asset Classes 13 asset classes	Underlying Investment Options	
Specialty	Specialty	Gartmore GVIT Global Financial Services Class III	1
		Gartmore GVIT Global Health Sciences Class III	2
		Gartmore GVIT Global Technology & Comm. Fund - Class III	3
		Gartmore GVIT Global Utilities Class III	4
		Janus Aspen Series Global Technology Portfolio: Service II Shrs	5
		Van Kampen UIF Emerging Markets Debt Portfolio	6
	Real Estate	Van Kampen UIF U.S. Real Estate Portfolio	7
International stocks	Emerging market stocks	Gartmore GVIT Emerging Markets Fund - Class III	8
	Developed market stocks	American Century VP International Class III	9
		Fidelity VIP Overseas Portfolio: Service Class R	10
		Gartmore GVIT International Growth Fund - Class III	11
		Gartmore GVIT Worldwide Leaders Fund - Class I	12
		Janus Aspen Series International Growth Port.: Service II Shrs	13
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Small-cap stocks	Small-cap	Dreyfus IP Small Cap Stock Index -Service Shares	15
		GVIT Small Cap Growth Fund - Class I	16
		GVIT Small Cap Value Fund - Class I	17
		GVIT Small Company Fund - Class I	18
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Strong GVIT Mid Cap Growth Fund - Class I		22	
	Mid-cap value	American Century VP Value Class I	23
		Fidelity VIP Value Strategies Portfolio Service Class	24
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All portfolio data is as of 6/30/02 unless otherwise noted.

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# Investment Options



Broad Asset Classes 8 asset classes	Focused Asset Classes 13 asset classes	Underlying Investment Options	
Large-cap stocks	Large-cap growth	American Century VP Ultra Fund Class I	26
		Dreyfus Socially Responsible Growth Fund, Inc. Initial Shares	27
		Dreyfus Stock Index Fund, Inc. Initial Shares	28
		Dreyfus VIF Appreciation Portfolio Initial Shares	29
		Fidelity VIP II Contrafund® Portfolio: Service Class	30
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	Large-cap value	American Century VP Income & Growth Class I	35
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		Neuberger Berman AMT Partners Portfolio	41
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Asset Allocation	Asset Allocation	Gartmore GVIT Investor Destinations Aggressive Fund	44
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		MAS GVIT Multi Sector Bond Fund - Class I	51
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**The use of diversification and asset rebalancing as part of an overall investment strategy does not assure a profit or guarantee against loss in a declining market.**

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# Investment Category Overview



## Domestic Equity

		Style		
		Value	Blend	Growth
Capitalization	Large	American Century VP Income & Growth CI I Comstock GVIT Value CI I Fidelity VIP Equity Income: Serv. Class Neuberger Berman AMT Guardian Neuberger Berman AMT Partners	Dreyfus VIF Appreciation Initial Shares Dreyfus Stock Index Initial Shares Fidelity VIP II Contrafund: Serv. Class Gartmore GVIT Nationwide Leaders CI III Gartmore GVIT Total Return CI I Oppenheimer Main St. Grw & Inc. VA/ IC	American Century VP Ultra Class I Dreyfus Socially Responsible Grwt Initial Shr Fidelity VIP Growth: Serv. Class Gartmore GVIT Growth CI I Gartmore GVIT U.S. Growth Leaders CI III Janus Aspen Capital Appreciation Serv Shrs Oppenheimer Capital Appreciation VA/ IC
	Mid	American Century VP Value CI I Fidelity VIP Value Strategies Serv. Class Strong Opportunity II, Inc.	Dreyfus GVIT Mid Cap Index CI I	Neuberger Berman AMT Mid-Cap Growth Oppenheimer Aggressive Growth IC Strong GVIT Mid Cap Growth CI I
	Small	GVIT Small Cap Value <sup>1</sup> CI I	Dreyfus IP Small Cap Stock Index	GVIT Small Cap Growth <sup>1</sup> CI I GVIT Small Company <sup>1</sup> CI I

## Foreign Equity<sup>2</sup>

Global	International	Emerging Markets
Gartmore GVIT Worldwide Leaders CI I Oppenheimer Global Securities IC	American Century VP International CI III Fidelity VIP Overseas: Serv. Class R Gartmore GVIT International Growth CI III Janus Aspen International Growth Serv. II	Gartmore GVIT Emerging Markets CI III

## Specialty<sup>3</sup>

Category	Underling Investment Options
Emerging Markets Bond	Vam Kampen UIF Emerging Markets Debt
Real Estate	Van Kampen UIF U.S. Real Estate
Technology	Janus Aspen Global Technology Srv. II Shrs. Gartmore GVIT Global Tech & Comm CI III
Financial	Gartmore GVIT Global Financial Services CI III
Health	Gartmore GVIT Global Health Sciences CI III
Utilities	Gartmore GVIT Global Utilities CI III

## Balanced

Category	Underling Investment Options
Balanced	J.P. Morgan GVIT Balanced <sup>4</sup> CI I

## Asset Allocation

Category	Underling Investment Options
Aggressive	Gartmore GVIT Investor Destinations Aggressive
Moderately Aggressive	Gartmore GVIT Investor Destinations Mod. Aggressive
Moderate	Gartmore GVIT Investor Destinations Moderate Fund
Moderately Conservative	Gartmore GVIT Investor Destinations Mod. Conservative
Conservative	Gartmore GVIT Investor Destinations Conservative

## Fixed Income<sup>5</sup>

Category	Underling Investment Options
Intermediate Bond	Federated Quality Bond II Primary Shrs
Intermediate Gov't Bond	Gartmore GVIT Government Bond CI I <sup>6</sup>
Multi-Sector Bond	MAS GVIT Multi Sector Bond CI I
High Yield Bond	Federated GVIT High Income Bond CI I Fidelity VIP High Income: Serv. Class

## Cash

Category	Underling Investment Options
Cash	Gartmore GVIT Money Market <sup>7</sup> CI I

**Methodology:** The style categories illustrated were arrived at using various sources primarily Return-based Style Analysis via Zephyr Associates StyleADVISOR version 6.4. Style Categories were calculated using 36 month average returns evaluated through mean variance optimization relative to appropriate comparative indices. If 36 months of return data were unavailable, the style category was derived from returns since inception.

The underlying funds are only available as investment options in variable annuity contracts of variable life insurance policies issued by life insurance companies. They are NOT offered to the general public directly.

<sup>1</sup> Small cap funds involve increased risk and volatility.

<sup>2</sup> International investment involves special risk considerations, all of which are magnified in emerging markets. These include economic and political conditions, expected inflation rates and currency swings.

<sup>3</sup> Specialty funds are typically non-diversified or concentrated in a relatively small number of securities or specific sectors, and may be subject to greater volatility than a more diversified investment, and should be considered as a vehicle for diversification, not a balanced investment program.

<sup>4</sup> Balanced funds are strategically diversified among equities and fixed income.

<sup>5</sup> Bond funds are subject to credit risk and interest rate risk. High yield funds are typically subject to greater risk and price volatility than funds which invest in higher-rated debt securities.

<sup>6</sup> While the Gartmore GVIT Government Bond Fund Class I invests primarily in the securities of the U.S. Government and its agencies, the fund's value is not guaranteed by these entities.

<sup>7</sup> Money market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the money market fund seeks to preserve value of your investment at \$1.00 per share, it is possible to lose money in the fund.

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## INVESTMENT TERMS

**Adoption Date** – The date a fund is added to a particular product.

**Average Credit Quality** – An average of each bonds credit rating, adjusted for its relative weighting in the portfolio. It provides a snapshot of the portfolio's overall credit quality.

**Average Duration** - An average maturity measure in a bond fund portfolio based on the present value of all future income flows on each bond in the portfolio. A duration of 5 years means that if interest rates instantaneously rise (or fall) 1%, the funds net asset value would decline (or advance) by 5%.

**Average Maturity** – The average time to maturity of securities in a bond fund's portfolio.

**Benchmark Index** - An unmanaged portfolio of securities intended to serve as a standard by which investment performance may be measured.

**Beta** – Measures the volatility of a security's price changes relative to a representative market index. A Beta of 1.00 means that a fund's market-related fluctuations are just as volatile as the benchmark index; a Beta of 1.25 indicates that a fund rises and falls about 25% faster than the market in a given move; a Beta of 0.50 indicates a fund tends to rise and fall half as much as the market in a given market move. Funds with low ranking may still be volatile; however, most of their volatility is not related to the movement of the market.

**Broad Asset Class** - Allows you to diversify across eight asset classes.

**Focused Asset Class** - Provides diversification across 13 specific asset classes and investment styles.

**Fund Expense Ratio** – The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's net asset value (NAV).

**Median Market Capitalization** – It provides a measure of the size of the companies in which the fund invests.

**Price/Earnings (P/E) Ratio** - A popular way to compare stocks selling at various price levels. The P/E ratio is the price of a share of stock divided by earnings per share for a twelve-month period.

**R2** – "R-squared" refers to market correlation and the relationship between a fund and its representative market index. A fund whose total returns are perfectly correlated with its index has a correlation of 100%.

**Turnover** – A measure of the trading activity in a fund's investment portfolio; in essence, how often securities are bought and sold by a fund. A turnover ratio of 100% means that, on average, all of a fund's portfolio holdings are bought and sold once a year.

## INDICES

**Lehman Brothers Aggregate Bond** – A market-value weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage securities, with maturities of at least one year.

**MSCI EAFE** – The Morgan Stanley Capital International Europe, Australia, Far East Index is an unmanaged index of over 1,000 foreign common stock prices and includes reinvestment of dividends.

**S&P 500** - An unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**Russell 2000 Small Stock Index** – An unmanaged index consisting of approximately 2000 small capitalization common stocks and is a trademark of the Frank Russell Company.

*Domestic funds are measured relative to the S&P 500. International funds are measured relative to MSCI-EAFE, with price/cash flow used in place of price/earnings.*

# Nationwide Life Insurance Company

*Nationwide Life Insurance Company was incorporated in 1929  
and its headquarters are located in Columbus, Ohio.*

With a focus on financial integrity and investment quality, Nationwide is committed to providing investment options that meet the needs of a diverse customer base. Meeting your financial needs is the foundation upon which this program is built.

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Fund holdings and investment strategies are subject to change. Investment in some funds may involve certain risks and may not be appropriate for all investors.

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#### Contracts/Certificate:

APO-3275B

APO-3416

In OR

In TX

APO-3691

APO-3416-37A

NWLA-23-42

APO-3694

NWLA-23-36

APO-4364

APO-4446

NWLA-23

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