FOCUS

Nationwide® Retirement Solutions
a Nationwide® Financial company

The United States Conference of Mayors
Deferred Compensation Program

NRS-2062-A-19 (4/00)

1st Quarter 2000

Nationwide® Retirement Solutions announces upcoming changes to your Select Spectrum Investment Options

Because we continually seek ways to provide competitive investment options, the following are being added to the Select Spectrum, effective during the second quarter of this year.

The American Century Value Fund seeks long-term capital growth by investing in medium to large-sized companies that are believed by the management to be undervalued at the time of purchase. This fund may be appropriate for investors who seek to diversify an investment portfolio of growth stocks and are looking for long-term capital growth with less volatility than more aggressive growth funds.

The Putnam International Growth Fund (Class A) is a foreign stock fund that targets mid-size to large international stocks. The portfolio manager employs a process of rigorous stock selection combined with intensive country analysis. The end result is a portfolio of stocks they believe offer reliable growth potential and compelling valuations. Generally, the managers seek companies they believe can grow through corporate restructuring or through establishing niche positions in growth-oriented industries.

For more information, or to obtain a prospectus for any of these funds, please contact 1-877-NRS-FORU (1-877-677-3678).

Direct Access Gives You Ease of Access

Nationwide® Retirement Solutions, Inc., is proud to give you a "better approach to retirement solutions." Now you have more ways than ever to plan for your financial future. You may enroll through our program's Internet web site www.nrsretire.com, using the self-enrollment kit, or via phone with one of the 46 Direct Access Retirement Specialists.

When you call 1-877-NRS-FORU you can be put in contact with one of our Direct Access Retirement Specialists. These specialists are licensed with the Series 6 within 60 days of employment. Along with the licensing, the specialists are given formal training in-house as well as on the job. John Thomas, Manager of the East Zone, feels that much of the training comes from peers who are working in the business. "Close proximity develops maximum impact with the customer," says John. These specialists are able to assist you with new enrollment, changing deferrals, increasing your account and discussing investment options with you. They will assist you with the Internet and walk you through any questions relating to sales. For any questions beyond sales, you are still encouraged to contact customer service.

Direct Access wants to meet your needs. The same level of service you have come to expect from a local representative will be there when you call them. Direct Access is available more than 12 hours a day and is convenient for you by giving you this ease of access. The specialists you speak with want to make sure that you receive information you can trust and it is their responsibility to educate you, service you and give you the consistent answer you need.

During the last half of 1999, a customer survey went out with every packet of information. Of the responses received, more than half rated the Direct Access team with the highest rating of satisfaction. There were no cards returned which rated less than satisfaction. You the customer and your satisfaction, are the primary goal.

You can reach Direct Access by calling 1-877-NRS-FORU (1-877-677-3678), option 3. Retirement Specialists are able to help you with your retirement goals Monday through Thursday, 8:30 a.m. to 9 p.m. (EST), and Friday from 8:30 a.m. to 6 p.m. (EST).

Social Security- The Statement

"The Social Security Statement is a valuable financial planning tool that will help Americans prepare for their long term financial security," -Social Security Commissioner Kenneth S. Apfel.

In October 1999, in an effort to help you better plan your financial future, the Social Security Administration began mailing earnings and benefit estimate statements to all US workers age 25 and over who were not currently receiving Social Security benefits. The Social Security Administration estimates that about 125 million statements will be mailed this year.

Workers can expect to receive the statement not only this year, but every year, about three months before their birth month. For instance, a person who has a birthday in July can expect to receive a statement in April.

The statement will show a year by year display of your earnings based on information present and former employers have provided the Social Security Administration on formW-2, the wage and tax statement, or from self-employment income you have reported.

The statement will also show an estimate of retirement benefits at age 62, full retirement age and age 70. You will also see information on disability benefits individuals and their families may be eligible for now or in the future. According to the Social Security Administration, these estimates can be used to:

- Plan your financial security for today and tomorrow by knowing the amount of Social Security benefits that could be available to you and your family should you become disabled
- Determine whether you have sufficient insurance to protect your survivors should you die
- See how your potential Social Security benefits fit in with your investments and savings

How much will your retirement benefit be?

Your benefit amount is based on your earnings averaged over most of your working career. Higher lifetime earnings result in higher benefits. If you had some years with low or no earnings, your benefit may be lower.

Your benefit amount is also affected by your age at the time you start receiving benefits. If you start your benefits at age 62, the earliest possible age to receive Social Security retirement benefits, your benefit will be lower than if you retire at a later age.

What to do if you do not receive a statement

If it is one month before your birthday and you have not received your statement, you can contact the Social Security Administration toll free by dialing 1-800-772-1213 between 7 a.m. and 7 p.m., on regular business days, and request form number SSA-7004. People who are hearing impaired can call the toll free TTY number of 1-800-325-0778 for the same information. Recorded information and automated services are available at the above numbers 24 hours a day, including weekends and holidays.

The Social Security Administration can also be contacted on line at www.ssa.gov where you can download form number SSA-7004, fill it out, and mail it back to the Social Security Administration to receive a Social Security Statement. An additional option is to send an email message to webmaster@ssa.gov and they will mail you form SSA-7004. The site states that it will take 2-3 weeks to receive a response.

Remember

Social Security was developed to be a supplement to retirement savings and investments. It was not conceived to be the primary source of living expenses for retired Americans. The Social Security Statement will be an excellent resource for the millions of people who are planning their retirement, no matter how far in the future that date may be.

Source- Social Security Administration web site, www.ssa.gov.

Diversify

Take action to balance your investment returns and lower overall risk.

If there were a single perfect investment, the life of an investor would be a lot easier. But since that investment doesn't exist, the next best thing is to build your portfolio by balancing a variety of investments that together will help you achieve your goals.

Spreading your deferrals among different asset classes, such as fixed income/cash, bond funds, large-cap, mid-cap, and small-cap funds, can help lessen the impact of short-term stock market volatility. While one type of asset class may decline in value, another may increase, which serves to balance your investment returns and lower overall risk.

When diversifying, don't confuse quantity with quality. What matters is not how many funds you own, but how distinct they are. A portfolio of ten small-cap funds is less truly diversified than one holding just a stock fund and a bond fund. If the funds you select have the same investment style and objective or are within the same asset class, this is not true diversification.

Deciding how to diversify your investments takes some time and research. Things to consider are:

Your retirement savings objectives

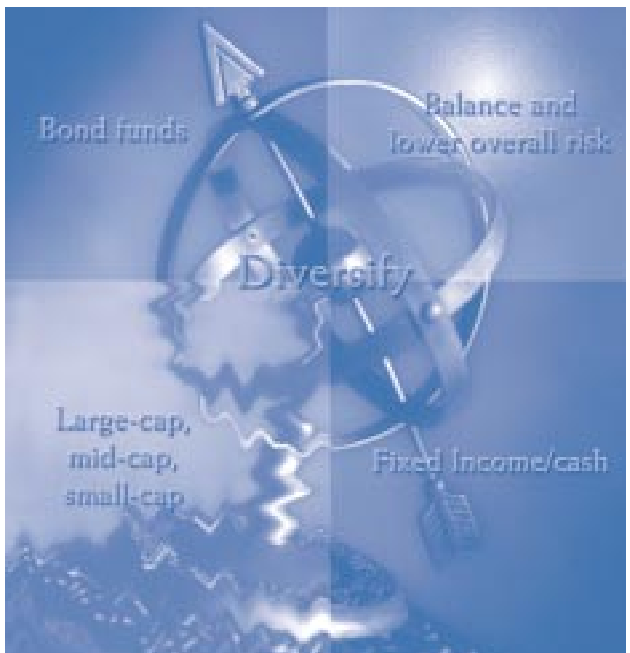
Determine how much money you feel you will need to live comfortably during retirement. The traditional rule of thumb that retirees need 60 to 80 percent of their pre-retirement income may not hold true for you. Based upon the lifestyle you wish to maintain, you may need no more than 50 percent of your pre-retirement income or as much as 120 percent.

How long you have until retirement and in retirement

If you have less than ten years until retirement you may want to create a different investment mix than someone with more than ten years until retirement. The longer you have for your account balance to grow the more aggressive you may want to be. Keep in mind that you are not only investing until the day you retire, but for the years you will spend in retirement.

Your risk tolerance

Your ability to withstand fluctuations in the principal value of your investment and to possibly incur a loss is an important consideration. When diversifying your investments, think about whether you are a conservative, moderate or aggressive investor and choose an investment mix accordingly. If you're unsure which type of investor you are, check out our website at www.nrsretire.com.



"Spreading your deferrals among different asset classes, such as fixed income/cash, bond funds, large-cap, mid-cap, and small-cap funds, can help lessen the impact of short term stock market volatility."

Determine your portfolio mix

One easy way to select a portfolio mix is to use your age as the percentage of your investment that you place in the more conservative investments, such as the fixed options, and bond funds, with the rest in growth stock funds. Using this method, a 40-year-old investor would invest 40 percent in fixed and bond funds and 60 percent in growth stock funds. Someone who is age 70 would still maintain 30 percent of their investments in growth stock funds for diversification and inflation protection. This method provides an illustration of how to diversify your portfolio, but should be tailored to meet your specific risk tolerance and retirement savings objectives.

Just as there is never one perfect investment, there is also no ideal way for diversifying your investments. Ultimately, the right investment mix for you is one that makes you comfortable. Strive for balance in your portfolio to lower the overall risk of your investments.

For more information on diversification call 1-800-432-5245 (in Florida only) or 1-877-677-3678 toll free.▼

Source: Published by: NationalDeferred in cooperation with Washington Mutual Bank, FA

Dollar Cost Averaging:

You're on the right track!

Dollar cost averaging is simply the practice of putting a fixed amount of money into an investment program at regular intervals — just as you are doing via payroll deduction into your deferred compensation program! This strategy is designed to help you buy more units when the prices are down, and fewer when the prices are up.

Consider this:

If you bring $10 to the gas station every week, you can buy more gallons of gas the weeks that gas prices are low than the weeks that prices are high. This is the same concept as dollar cost averaging.

Are you blessed with perfect timing?

With dollar cost averaging, over time, the average cost of your units will be less than if you made sporadic lump sum investments. However, this concept doesn't mean that you can't lose money, or that you can't make more if you invest large amounts at the beginning of a market rise. But dollar cost averaging can help you keep a long-term perspective and avoid the common mistake of buying high and selling low on market moves.

According to the chart below, the average price per unit over the 12-month period was $6.00. With the benefit of dollar cost averaging, you only paid an average of $5.33 and were able to buy 25 more units than if you had invested a lump sum at one time. Dollar cost averaging can be beneficial when market conditions are on the decline, stable or on the rise.

Remember dollar cost averaging does not guarantee a profit or protect against loss. It does, however, permit you to purchase units at below average prices over a long period of time. The key is that dollar cost averaging requires a long-term investment commitment. Only over a long period of time with consistent investing can you see the benefits of dollar cost averaging.

By participating in your employer's deferred compensation program, and therefore using a dollar cost averaging investment strategy, you're enabling yourself to be better prepared for your retirement. Congratulations for being on the right track! ▼

Dollar cost averaging does not assure a profit and does not guarantee against loss in a declining market. This type of strategy involves continuous investment in the security regardless of fluctuating price levels of such securities. Investors should consider their financial ability to continue purchases through periods of low price levels.

To illustrate

Assume that you defer $100 each month in the variable investment option, and that the price of the units rises and falls over time.

Months	Periodic Investment	Price of Units	No. of Units Purchased
1	$100	$10	10.0
2	$100	8	12.5
3	$100	5	20.0
4	$100	4	25.0
5	$100	4	25.0
6	$100	5	20.0
7	$100	5	20.0
8	$100	4	25.0
9	$100	4	25.0
10	$100	5	20.0
11	$100	8	12.5
12	$100	10	10.0
Totals	$1,200	$ 72	225.0

Average price per unit = $6.00
($72/12 months)

This would have bought 200 units
($1,200 / $6)

Average Cost per Unit to you = $5.33
($1,200 / 225 units)

Questions?

If you want more information about the plan,want to make a change to your records or have questions about your statement of account, please give us a call.

Nationwide® Retirement Solutions Customer Service Center
1-877-NRS-FORU
(1-877-677-3678)
8:30 a.m. - 9:00 p.m., Mon-Thurs.
8:30 a.m. - 6:00 p.m., Fridays
(Eastern Time)