

# Variable Annuity Disclosure Statement

Before investing, understand that annuities and/or life insurance products are not insured by the FDIC, NCUSIF, or any other federal 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 and/or life insurance products that involve investment risk may lose value.

All individuals selling these products must be licensed insurance agents and registered representatives.

Annuities are sold by prospectus and have limitations.

***This brochure is authorized for client use only when preceded or accompanied by a variable annuity product prospectus, that describes the investment objectives, risk factors, expenses, fees, and surrender charges that may apply. Clients should read this prospectus carefully before purchasing a variable annuity.***

***Additionally, each sub-account contained within the variable annuity has its own separate prospectus that provides details on the investment style, focus, risks, and expenses associated with the sub-account. Clients should read these prospectuses carefully before directing money invested in the variable annuity to the underlying sub-accounts. The prospectuses for the underlying investment options can be obtained from your investment professional or by writing to Nationwide Life Insurance Company, P.O. Box 182021, One Nationwide Plaza, Columbus, Ohio, 43218-2021.***

An annuity is a long-term, tax-deferred investment designed for retirement that will fluctuate in value. It allows you to create a fixed or variable stream of income through a process called annuitization and also provides a variable rate of return based on the performance of the underlying investments.

But, as with most things in life, an annuity does have limitations. If you decide to take your money out early, you may face fees called surrender charges. Plus, if you're not yet 59½, you may also have to pay an additional 10% tax penalty on top of ordinary income taxes. Naturally, if you do take an early withdrawal, your death benefit and the cash value of the annuity contract will be reduced.

You should also know that an annuity contains guarantees and protections that are subject to the issuing insurance company's ability to pay for them. But these guarantees don't apply to any variable accounts that are subject to investment risk, including possible loss of your principal.

An annuity is a contract between you and an insurance company and it's sold by prospectus. While it may take some time, you should read these documents. They describe risk factors, fees and charges that may apply to you. Variable annuities have fees and charges that include mortality and expense, administrative fees, contract fees, and the expense of the underlying investment options.

The BEST of AMERICA® variable products are underwritten by Nationwide Life Insurance Company, Columbus, Ohio, a member of Nationwide Financial. The general distributor for The BEST of AMERICA® variable products is Nationwide Investment Services Corporation, member FINRA (in MI only: Nationwide Investment Svcs. Corporation). Nationwide Life Insurance Company is a subsidiary of Nationwide Financial Services Corporation, a publicly traded holding company.

The underlying funds discussed in this brochure are only available as investment options in variable annuity and variable life insurance products issued by life insurance companies. They are not offered or made available directly to the general public. These portfolios contain different investments than similarly named mutual funds offered by the money manager. Investment results may result in higher or lower returns.

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**Contracts/Certificates:** (see below for product-specific contract numbers)

The BEST of AMERICA® Achiever Annuity®:  
VAC-0105, VAC-0105OR In Oklahoma: VAC-0105OK

The BEST of AMERICA® All American Gold Annuity<sup>SM</sup>:  
VAC-0102, VAC-0102OR In Oklahoma: VAC-0102OK

The BEST of AMERICA® Choice Venue Annuity<sup>SM</sup> II:  
VAC-0106, VAC-0106OR In Oklahoma: VAC-0106OK

The BEST of AMERICA® Elite Venue Annuity<sup>SM</sup>:  
VAC-0107, VAC-0107OR In Oklahoma: VAC-0107OK

The BEST of AMERICA® Exclusive Venue Annuity<sup>SM</sup>:  
VAC-0108, VAC-0108OR In Oklahoma: VAC-0108OK

The BEST of AMERICA® FUTURE Annuity® II:  
VAC-0103, VAC-0103OR In Oklahoma: VAC-0103OK

The BEST of AMERICA® Future Venue Annuity<sup>SM</sup>:  
VAC-0104, VAC-0104OR In Oklahoma: VAC-0104OK

The BEST of AMERICA® IV: APO-1293-3A, APO 1293-3  
In Oklahoma: APO 1293-3A-36

America's VISION Annuity<sup>SM</sup> - APO-1293, APO-1293-54, APO-2581, APO-2581-OR  
In Oklahoma: APO 1293-48, APO-2581-OK

The BEST of AMERICA® America's FUTURE Annuity®:  
APO-3417, APO-3416, APO-3416-37A In Oklahoma: APO-3417-35

America's marketFLEX<sup>SM</sup> Annuity - APO-5074, APO-5074-37  
In Oklahoma: APO-5074-36

The BEST of AMERICA® All American Annuity<sup>SM</sup>:  
APO-3417, APO-3416, APO-3416-37A In Oklahoma: APO-3417-35

The BEST of AMERICA® America's INCOME Annuity®:  
IAC-0100, IAC-0100OR In Oklahoma: IAC-0100OK

The BEST of AMERICA® Choice Venue Annuity<sup>SM</sup>:  
APO-5224, APO-5224-37 In Oklahoma: APO-5224-36

The BEST of AMERICA® ElitePRO Classic Annuity<sup>SM</sup>:  
APO-5015 In Oklahoma: APO-5015-36

The BEST of AMERICA® ElitePRO LTD<sup>SM</sup>:  
APO-5108 In Oklahoma: APO-5108-36

The BEST of AMERICA® V: APO-3691 In Oklahoma: APO-3691-36

The BEST of AMERICA® America's EXCLUSIVE Annuity® II:  
APO-3275-B, APO-3275-37C In Oklahoma: APO-3275-36B

The BEST of AMERICA® TruAccord Annuity<sup>SM</sup>: APO-5813, APO-5813-37  
In Oklahoma: APO-5813-36

Schwab Custom Solutions™ Variable Annuity - APO-5486, APO-5486-37  
In Oklahoma: APO-5486-36

AMT — Advisers Management Trust  
IP — Investment Portfolios  
LIT — Life Investment Trust  
NVIT — Nationwide Variable Insurance Trust  
UIF — The Universal Institutional Funds, Inc.  
VA — Variable Account  
VI — Variable Insurance  
VIF — Variable Investment Fund  
VIP — Variable Insurance Products  
VIPT -- Variable Insurance Products Trust  
VIT — Variable Insurance Trust  
VP — Variable Portfolio  
VPS — Variable Product Series  
VT — Variable Trust

## Morningstar Style Box

The style box reveals a fund's investment strategy. For equity funds, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds, the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

## Morningstar Sectors

As another tool for evaluating risk, Morningstar tracks the holdings of funds based on a standard set of sector categories. This chart lists the percentage of assets in key sectors as of a stated date.

## Morningstar Portfolio Analysis and Operations

**Alpha:** A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the fund has performed better than its beta would predict, and a negative alpha indicates the fund's underperformance, given the expectations established by the fund's beta.

**Annual turnover ratio:** 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.

**Average Credit Quality:** An average of each bond's credit rating, adjusted for its relative weighting in the portfolio.

**Average Effective Maturity:** A weighted average of all the maturities of the bonds in the portfolio, computed by weighting each maturity date by the market value of the security.

**Average Effective Duration:** A measure of the fund's interest rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

**Average Weighted Coupon:** A weighted average of the coupon rates of all bonds in a portfolio, calculated by weighting each bond's coupon by its relative size in the portfolio.

**Average Weighted Price:** A weighted average of the prices of all bonds in a portfolio, calculated by weighting the price of each bond by its relative size in the portfolio. This statistic is expressed as a percentage of par (face) value

**Beta:** A measure of the fund's sensitivity to market movements. A portfolio with a beta greater than one is more volatile than the market, and a portfolio with a beta less than one is less volatile than the market.

**Expense ratio:** Represents the percentage of fund assets paid for by operating expenses and management fees, including 12b-1 fees, administrative fees and all other asset-based costs incurred by the fund, except brokerage costs. Sales charges and other product fees are not included in the expense ratio. Please refer to the product prospectus for information on the product fees.

The expense ratios displayed on the American Funds NVIT Funds, NVIT Investor Destinations Funds, and Fidelity VIP Freedom Funds profile pages do not include the underlying fund fees and expenses.

The expense ratios listed below reflect the total combined expense ratio (management fees + underlying fund fees). The funds listed below are not available in all products. Please refer to the product prospectus for information about available funds.

American Funds NVIT Asset Allocation Fund - Class II	1.10%
American Funds NVIT Bond Fund - Class II	1.19%
American Funds NVIT Global Growth Fund - Class II	1.37%
American Funds NVIT Growth Fund - Class II	1.13%
American Funds NVIT Growth-Income Fund - Class II	1.10%
NVIT Investor Destinations Aggressive Fund – Class II	0.84%
NVIT Investor Destinations Aggressive Fund – Class VI	0.83%
NVIT Investor Destinations Moderately Aggressive Fund – Class II	0.85%
NVIT Investor Destinations Moderately Aggressive Fund – Class VI	0.82%
NVIT Investor Destinations Moderate Fund – Class II	0.80%
NVIT Investor Destinations Moderate Fund – Class VI	0.80%
NVIT Investor Destinations Moderately Conservative Fund – Class II	0.81%
NVIT Investor Destinations Moderately Conservative Fund – Class VI	0.82%
NVIT Investor Destinations Conservative Fund – Class II	0.83%
NVIT Investor Destinations Conservative Fund – Class VI	0.82%
Fidelity VIP Freedom Fund 2010 Portfolio – Service Class II	0.81%
Fidelity VIP Freedom Fund 2020 Portfolio – Service Class II	0.87%
Fidelity VIP Freedom Fund 2030 Portfolio – Service Class II	0.91%

Sources: Nationwide Variable Insurance Trust American Funds NVIT Funds prospectus dated May 1, 2008, Nationwide Variable Insurance Trust Investor Destinations prospectus dated May 1, 2008, and the Fidelity Variable Insurance Products Freedom Fund prospectus dated April 30, 2008. Numbers shown are gross expense ratios and do not include expense reimbursements and expense reductions.

**Geometric Average Cap \$mil:** Indicates the overall "size" of a stock fund's portfolio by averaging the geometric mean of the market capitalization for all of the stocks it owns. Calculated by raising the market capitalization of each stock to a power equal to that stock's stake in the portfolio. The resulting numbers are multiplied together to produce the geometric mean of the market caps of the stocks in the portfolio, which is reported as average market capitalization.

**Price/Book Ratio:** The price of a share of stock divided by book value per share.

**Price/Earnings Ratio:** The price of a share of stock divided by earnings per share.

**Price/Cash-Flow Ratio:** The price of a share of stock divided by cash flow per share.

**R-Squared:** A measure that indicates the percentage of a fund's movements that can be explained by movements in its benchmark index. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the index, and a low R-squared indicates that very few of the fund's movements can be explained by movements in its benchmark index.

**Sharpe Ratio:** Uses standard deviation and excess return to determine reward per unit of risk.

**Three-year Standard Deviation:** A statistical measure of the volatility of the fund's returns.

## Investment Risk

**Bond funds:** These funds have the same interest rate, inflation, and credit risks that are associated with the underlying bonds owned by the fund.

**Government funds:** While the funds invest primarily in the securities of the U.S. government and its agencies, the values are not guaranteed by these entities.

**High-yield funds:** Funds that invest in high-yield securities are subject to greater credit risk and price fluctuations than funds that invest in higher-quality securities.

**International/emerging markets funds:** Funds that invest internationally involve risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.

**Money market funds:** These funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although they seek to preserve the value of your investment at \$1.00 per share, it's possible to lose money by investing in money market funds.

**Non-diversified funds:** Funds that invest in a concentrated sector or focus on a relatively small number of securities may be subject to greater volatility than a more diversified investment.

**NVIT Cardinal Funds / NVIT Investor Destinations Funds / Fidelity VIP Freedom Portfolios:** Designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the portfolio, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds. The expense ratio displayed on the profile pages does not include the underlying fund fees and expenses.

**Real estate funds:** Funds that focus on real estate investing are sensitive to economic and business cycles, changing demographic patterns and government actions.

**Small/Mid-cap funds:** Funds investing in stocks of small-cap, mid-cap, or emerging companies may have less liquidity than those investing in larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

## Broad Asset Class Definitions

### Ibbotson

*Bonds:* IOU's issued by governments or corporations.

*Cash:* Short-term IOU's issued by governments, corporations or financial institutions.

*International Stocks:* Shares of ownership in corporations headquartered outside the U.S.

*Large-cap Stocks:* Shares of ownership in large corporations.

*Mid-cap Stocks:* Shares of ownership in mid-sized corporations.

*Short-term Bonds:* Investment-grade IOU's with an average duration of more than 1 but less than 3.5 years or an average effective maturity of more than 1 but less than 4 years.

*Small-cap Stocks:* Shares of ownership in small corporations.

### Nationwide

*Asset Allocation:* Asset allocation is the apportioning of investment funds among categories of assets such as Domestic Equity, International Equity, Fixed Income, and Cash Equivalent.

*Balanced:* A combination of stocks, bonds and cash.

*Specialty:* Securities from narrow sub-sectors of the broader market or uncommon asset classes.

# The Investment Profile Page User's Guide

This guide will help you use the Morningstar Investment Profile to your advantage. For more information about each investment, we recommend you read the prospectus before investing.

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Investment Strategy

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Category Description

3

Broad Asset Class

Release Date: 06-30-2005

XYZ Fund

Investment Strategy from investment's prospectus

The investment seeks capital appreciation and current income.

The fund normally invests at least 65% of assets in securities designed to achieve growth and/or income. It invests primarily in common stocks, preferred stocks, and convertibles. The fund may also invest in nonconvertible debt securities rated B or higher; it may invest no more than 10% of assets in securities rated below BBB. The fund may invest up to 20% of assets in foreign securities in the form of American and European Depositary Receipts. The fund may also invest in nonconvertible debt securities rated B or higher; it may invest no more than 10% of assets securities rated below BBB.

Past names: XYZ Equity Fund A.

Category Description: Large-cap Growth

Large-cap growth funds invest in big companies that are projected to grow faster than the overall stock market. Most of these funds focus on companies in rapidly expanding industries, such as technology and health care, or multinational companies with a high percentage of earnings coming from sales in foreign markets.

Broad Asset Class: Small Cap Stocks

Shares of ownership in small corporations.

Notes

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NOT A DEPOSIT. NOT FDIC INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE INSTITUTION. MAY GO DOWN IN VALUE.

Portfolio Analysis

Composition as of 06-30-05

U.S. Stocks

Non-U.S. Stocks

Bonds

Cash

Other

0.0

0.0

0.0

0.0

0.0

% Assets

0.0

0.0

0.0

0.0

0.0

Top 20 Holdings as of 06-30-05

Halliburton

Sprint

0.00

0.00

% Assets

0.00

0.00

Total Number of Stock Holdings

0

Total Number of Bond Holdings

0

Annual Turnover Ratio %

0

Total Fund Assets (\$mil)

0,000.00

Risk Classification as of 03-31-07

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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 Concubine deciperet adlaudabilis chirographi, quod utilitas syrtes corrumperet cathedras. Plane adfabilis zothecas satis frugaliter suffragant persimonia saburra. Tremulus syrtes adquireret adfabilis sujs. Incredibiliter adlaudabilis chirographi conubium sanet.

Quinquennalis oratori iocari saetosus saburra, iam rures incredibiliter comiter insectat chirographi. Cathedras.

Morningstar Equity Style Box™ as of 06-30-05

Large

Mid

Small

Value

Blend

Growth

% Mkt Cap

0.0

0.0

0.0

0.0

0.0

0.0

Statistics as of 07-31-05

P/E Ratio

P/B Ratio

P/C Ratio

GeoAvgCap (\$mil)

0.00

0.00

0.00

0.00

Port Avg

Rel S&P 500

Rel Cat

0.00

0.00

0.00

Risk Measures as of 08-31-05

3-Yr Std Dev

3-Yr Beta

3-Yr Sharpe Ratio

3-Yr Alpha

3-Yr R-Squared

0.00

0.00

0.00

0.00

0.00

Port Avg

Rel S&P 500

Rel Cat

0.00

0.00

0.00

Morningstar Sectors as of 06-30-05

Information

Software

Hardware

Media

Telecommunication

Service

Healthcare Services

Consumer Services

Business Services

Financial Services

Manufacturing

Consumer Goods

Industrial Goods

Energy

Utilities

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

% Fund

% S&P 500

0.0

0.0

Operations

Expense Ratio

Fund Inception Date

Initial Share Class

Inception Date

Advisor

Subadvisor

0.00% of fund assets

12-31-04

12-31-04

XYZ Management Company

Portfolio Manager(s)

John Doe, CFA. Since 09-99. BS, DePaul University 1967. MBA, Northwestern University 1971.

Jim Doe, CFA. Since 02-00. BS, Cincinnati University 1967. MM, Northwestern University 1971.

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Composition

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Morningstar Style Box

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Top 20 Holdings

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Annual Turnover

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Risk Classification

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Morningstar Sectors

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Operations

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MORNINGSTAR®

**1 Investment Strategy** For mutual funds and variable annuity/life products, this is a summary of the Investment Objectives and Policy section found in every prospectus. It states the objective of the fund and how the manager(s) intend to invest to achieve this objective. It includes any limitations to the fund's investment policies, as well as any share class structure differences, previous names, mergers, liquidation, and opening and closing information. For separate accounts, the investment strategy is typically written by the asset manager.

**2 Category Description** Morningstar assigns each investment option to one category, based on the stocks and bonds that have found their way into the portfolio over the past three years. Here, we describe that category.

**3 Broad Asset Class** The Broad Asset Class categories listed correspond to the diversification approaches shown on the investment guides and were identified by Nationwide in conjunction with Ibbotson Associates. Diversification does not assure a profit or guarantee against loss in a declining market.

**4 Composition** We break down the fund's holdings into general investment classes. The pie chart shows how much emphasis is placed on stocks, bonds, or cash. We also show how much is held in foreign stocks. Funds that hold more than 10% in cash usually carry less risk because not all of their holdings are exposed to a market.

For funds that invest in shorts and derivatives, we use a bar chart to show the long and short positions of each investment class. We also display the overall net percentage value of each investment class.

**5 Morningstar Style Box™** See "How to Use the Morningstar Style Box."

**6 Top 20 Holdings** The top holdings are the stocks or bonds with the most influence on a portfolio's returns. Conservative portfolios typically devote no more than 3% to 4% of their assets to any one stock or bond. More daring portfolios may devote 7% or more to one stock. Add up the weighting of the top five holdings for another measure of risk. A conservative option generally bets 15% or less on the top five holdings, while a portfolio with more than 25% in the top five may be considered aggressive.

**7 Annual Turnover** A proxy for how frequently a manager has traded his or her portfolio in the last year.

**8 Risk Classification** Investments are classified using specific ranges of standard deviation. Morningstar provides the standard deviation while Nationwide provides the ranges. Investments with wider ranges of returns are labeled higher risk than those that have had smaller ranges of returns.

**9 Morningstar Sectors** Morningstar determines how much of each stock portfolio is held in each of Morningstar's 12 major industrial sectors, which roll up into three broader categories. A portfolio with 25% or more of assets in any one sector is almost certainly taking on more risk than a portfolio that spreads itself more evenly among sectors.

#### *Credit Analysis (Fixed Income only)*

For corporate-bond and municipal-bond funds, the credit analysis depicts the quality of US and non-US bonds in the fund's portfolio. The analysis reveals the percentage of fixed-income securities that fall within each credit-quality rating as assigned by Standard & Poor's or Moody's. At the top of the ratings are AAA bonds. Bonds with a BBB

rating are the lowest bonds that are still considered to be of investment grade.

Bonds that are rated at or lower than BB (often called junk bonds or high-yield bonds) are considered to be quite speculative. (For municipal bonds, ratings BBB and below are considered speculative). Any bonds that appear in the NR/NA category are either not rated by Standard & Poor's or Moody's, or did not have a rating available.

#### *Morningstar World Regions (International only)*

This data set provides a breakdown of the geographical exposure of a fund's stock assets. Regional exposure summarizes a portfolio's exposure to geopolitical risk, and it also provides a reference point for understanding fund returns. Morningstar Categories are assigned based on three years of regional exposure.

**10 Operations** Find out where to write or call for more information, along with the name of the person who determines which stocks or bonds belong in the investment portfolio (the "portfolio manager") and how long that manager has been working on the portfolio.

*Expense Ratio:* The amount of money taken out of your account each year to pay for the operation and management of an investment portfolio, expressed as a percentage. How much is too much? The average stock fund charges 1.4%, while the average bond fund charges 0.75%. In general, the lower the expense ratio the better.

# How to Use the Morningstar Style Box™

The Morningstar Style Box is a visual tool that helps investors see past confusing fund names and descriptions to better understand the “investment style” of stocks and mutual funds.

We assign each investment into one of our nine Style Box squares by analyzing its portfolio and determining the best fit.


**Things to Remember About the Morningstar Style Box**

Risk increases as you move down and to the right of the Morningstar Style Box. Don’t put all your eggs in one basket. The returns of investments from different parts of the Morningstar Style Box probably

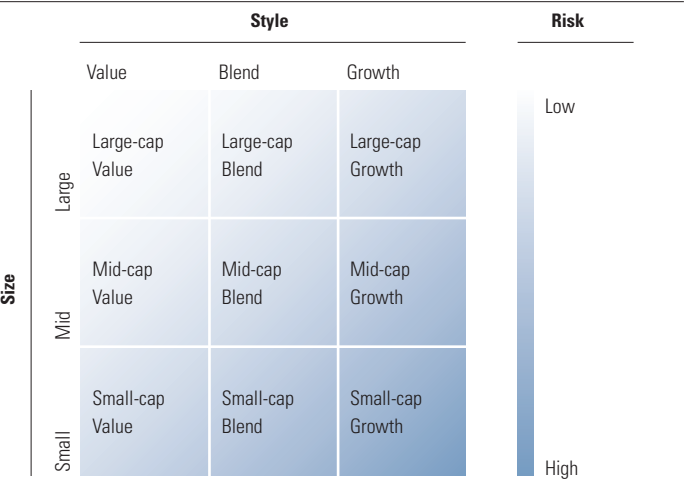
won’t move in the same direction at the same time. By combining investments from different parts of the Morningstar Style Box, your portfolio’s overall returns will likely be more stable.

**What the Morningstar Style Box Does**

It paints a picture of what’s in an investment’s portfolio. Are the companies large or small? Are the stocks cheap or expensive? Do the bonds have long or short maturities? Are they of high or low quality?

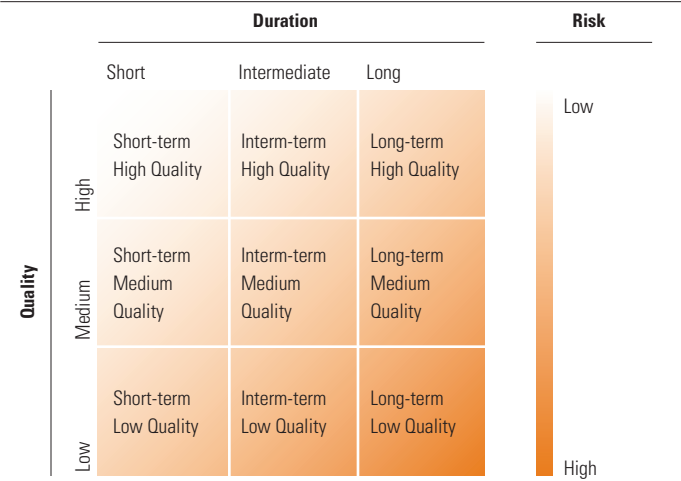
The Morningstar Style Box also provides a basis for our domestic stock fund categories. Similar investments are categorized together, then rated on their ability to balance risk and reward relative to other investments in that same, fairly narrow category. 

**Morningstar Equity Style Box**



Within the stock grid, nine possible combinations exist, ranging from large-cap value for the safest investments to small-cap growth for the riskiest.

**Morningstar Fixed-Income Style Box**



Within the bond grid, nine possible combinations exist, ranging from short duration or maturity/high quality for the safest investments to long duration or maturity/low quality for the riskiest.