

# Model 4 - Rydex: Variable (Nationwide MarketFlex) - Core-Plus™

## Low Risk - Annual Details:

**Investment Objective: Moderate Capital Gains with below-market risk and volatility.**  
 (Long: Non-Leveraged / Short: 50% Non-Leveraged Inverse & 50% Money Market)



RETURN (1)						
YEAR	CapPres	BalCons	BalGrw	S&P 500	NASDAQ	# OF TRADES
2002	+2.50	+6.95	+11.46	-23.37	-31.53	4
2003	+18.11	+25.84	+33.91	+26.38	+50.01	4
2004	+5.51	+5.01	+4.51	+8.99	+8.59	2
2005	+4.63	+5.37	+6.10	+3.00	+1.37	4
2006	+12.38	+13.21	+14.22	+13.68	+9.56	3
2007	+3.83	+2.67	+1.54	+3.54	+9.85	5
2008	-2.01	-1.03	-0.36	-38.37	-40.42	7
7-Year*	+6.24	+7.99	+9.70	-3.37	-2.99	Avg. 4.14

STANDARD DEVIATION (2)						
YEAR	CapPres	BalCons	BalGrw	S&P 500	NASDAQ	# OF TRADES
2002	1.72	2.80	4.16	7.51	9.95	4
2003	2.02	3.12	4.27	4.93	6.43	4
2004	1.24	1.73	2.33	3.20	4.89	2
2005	1.24	1.68	2.17	2.97	3.61	4
2006	1.34	1.72	2.12	2.90	4.10	3
2007	0.69	0.73	1.02	4.61	5.03	5
2008	0.97	1.37	1.93	11.83	11.83	7
7-Year*	1.38	2.03	2.80	6.21	7.17	Avg. 4.14

MAXIMUM DRAWDOWN (3)						
YEAR	CapPres	BalCons	BalGrw	S&P 500	NASDAQ	# OF TRADES
2002	-4.26	-5.80	-8.30	-33.75	-45.90	4
2003	-2.91	-3.94	-5.36	-14.05	-12.97	4
2004	-3.49	-5.05	-7.33	-8.16	-18.63	2
2005	-2.98	-4.02	-5.23	-7.17	-12.47	4
2006	-1.75	-2.25	-2.95	-7.70	-14.78	3
2007	-1.62	-1.40	-2.64	-10.09	-11.13	5
2008	-6.47	-7.81	-9.28	-48.76	-50.38	7
7-Year*	-6.47	-7.81	-9.28	-51.93	-53.97	Avg. 4.14

ULCER INDEX (4)						
YEAR	CapPres	BalCons	BalGrw	S&P 500	NASDAQ	# OF TRADES
2002	1.76	1.68	2.53	18.05	28.01	4
2003	1.12	1.38	1.79	4.61	4.63	4
2004	1.74	3.07	4.48	3.35	8.96	2
2005	1.08	1.38	1.76	2.78	5.46	4
2006	0.47	1.01	1.14	2.68	6.29	3
2007	0.54	0.57	1.76	3.77	4.20	5
2008	2.64	3.52	4.53	21.34	22.58	7
7-Year*	1.52	2.09	2.91	13.99	17.83	Avg. 4.14

**Low Risk = Moderate Capital Gains with below-market risk and volatility.**

CapPres = Capital Preservation

BalCons = Balanced Conservative

BalGrw = Balanced Growth

S&P 500 = S&P 500 Index

NASDAQ = NASDAQ Composite Index

TRADES = Average number of times the Active portion of the portfolio changed from Long, Short, or Cash per year.

**(1) Annualized Return.** Hypothetical Returns prior to November, 2005; thereafter Live Returns Version I; Version II beginning 10/17/2007. See Service Explanation page under "Backtesting" <http://activeportfoliocoach.com/service.aspx> for explanation and history of Backtesting, Version I and II.

**(2) Standard Deviation (SD):**

Within Core-Plus™, Standard Deviation is measured monthly.

For example, when you see SD = 4.0%, this means that most of the time (8 out of 12 months) the portfolio has gains or losses of no more than 4.0% in a month. This monthly SD can be converted (approximately) to Morningstar's annual SD by multiplying the SD= value by 3.4 (the square root of 12).

**(3) Maximum Drawdown (MD):**

The maximum percentage loss from the highest point to the lowest point shows the worst case drawdown during the given period of time.

**(4) Ulcer Index (UI):**

Ulcer Index measures the ability of a portfolio to regain its value from a previous high. It is calculated as the root-mean-square of the areas between highs and the time it takes for the portfolio to reach those highs again. It provides a measure of the magnitude of all of a portfolio's losses. Ulcer Index shown represents the worst case event for the given period of time.