

## Disclosure

The returns from 1Q03 through 2Q07 (1Q03 through 4Q08 for Conservative Income) are the actual returns of representative accounts; the continuously managed accounts are historically representative of the Guardian Portfolios' investment performance and decision-making processes during the corresponding time period. These returns have been adjusted downward to reflect PSI's maximum management fee. The performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, an annual investment management fee, and the separate fees assessed directly by each unaffiliated mutual fund holding that comprised the program. Performance results from 3Q07 to present for the Guardian Portfolios (1Q09 for Conservative Income) are the results for a composite of all individual client portfolios managed by PSI according to the respective Guardian strategy, which composite is representative of the performance results achieved by PSI for its participating respective Guardian Portfolios during this time period. The performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, an annual investment management fee, and the separate fees assessed directly by each unaffiliated mutual fund holding that comprised the program.

The returns from 1Q03 through 2Q09 are the actual returns of representative accounts; the continuously managed accounts are historically representative of the Multi-Edge/Multi-Guard Programs' investment performance and decision-making processes during the corresponding time period. These returns have been adjusted downward to reflect PSI's maximum management fee. The performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, an annual investment management fee, and the separate fees assessed directly by each unaffiliated mutual fund holding that comprised the program. Performance results from 3Q09 to present for Multi-Edge/Multi-Guard are the results for a composite of all individual client portfolios managed by PSI according to the respective Multi-Edge/Multi-Guard strategy, which composite is representative of the performance results achieved by PSI for its participating respective Multi-Edge/Multi-Guard accounts during this time period. The performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, an annual investment management fee, and the separate fees assessed directly by each unaffiliated mutual fund holding that comprised the program.

The performance results shown on the previous page represent the performance of model portfolios managed on the Nationwide platform. The returns are calculated taking into account a maximum advisory fee of 1.50% annually and assume reinvestment of interest, dividend, and capital gains distributions. Actual account holdings and performance for individual clients may vary. Investment in mutual funds and variable annuities are not guaranteed and will fluctuate, so that when redeemed, may be worth more or less than their original cost. Past performance is not indicative of future results.

For reasons including variances in program account holdings, transaction and custodial fee variances, market fluctuation, the date on which a client became a participant in the program, and any account contributions or withdrawals, the performance of a specific client's account may vary substantially from the indicated performance results. PSI's Guardian/Multi-Edge/Multi-Guard Portfolios may involve an above-average turnover, which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account. The PSI performance results do not reflect the impact of taxes.

Past performance may not be indicative of future results and the performance of a specific individual client account may vary substantially from the performance results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal either the performance results reflected, or the performance results for any of the comparative index benchmark(s) provided. The historical performance results of the comparative index benchmark(s) do not reflect the deduction of transaction and custodial charges or the deduction of an investment management fee, the incidence of which would have the effect of decreasing indicated historical performance results. The historical index performance results are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the model portfolio meets, or continues to meet, his/her/its investment objective(s). It should not be assumed that PSI's client account holdings will correspond directly to any of the comparative index benchmarks. For reasons including variances in program account holdings, variances in the investment management fee incurred, transaction and custodial fee variances, market fluctuation, the date on which a client engaged PSI's investment management services, and any account contributions or withdrawals, the performance of a specific client's account may have varied substantially from the indicated performance results.

To the extent that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise PSI immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised by PSI) will be either suitable or profitable for a client's or prospective client's portfolio. All performance results have been compiled solely by PSI, are unaudited, and have not been independently verified. Information pertaining to PSI's advisory operations, services, and fees is set forth in PSI's current disclosure statement, a copy of which is available from PSI upon request. PSI maintains all information supporting the performance results in accordance with regulatory requirements.

## Guardian Portfolios

- Conservative Income
- Conservative
- Moderate Conservative
- Moderate
- Moderate Growth
- Growth

## Specialty Portfolios

- Multi-Guard Moderate
- Multi-Guard Growth
- Multi-Edge Growth

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# Leave it to the Pros

## Risk-based Enrollment

Historically, markets move up and down unpredictably. How can you capitalize on this uncertainty and achieve more consistent returns for your retirement account? The solution is to own strategies in your account for two primary market conditions: rising and falling.

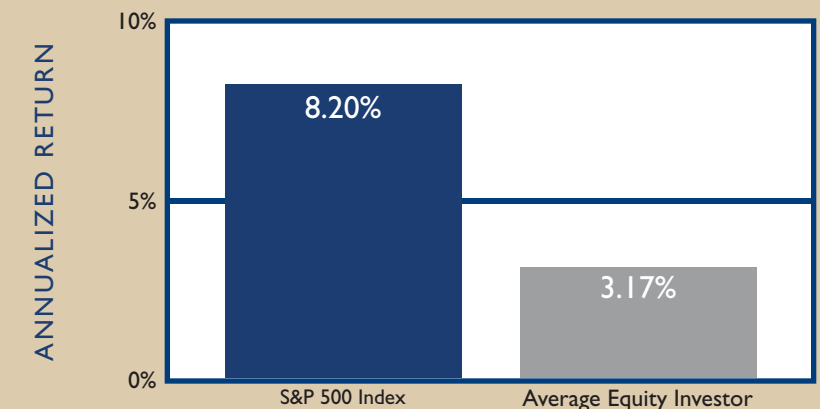
Portfolio Strategies' mission is to pursue solid and steady growth, and to contain risk and volatility. We combine innovative approaches to money management with teams of seasoned portfolio managers. Our goal is to provide our clients with investment strategies that search for opportunities in all market conditions.

The **GUARDIAN PORTFOLIOS** can offer investors a balance of growth and protection, with a goal to improve performance consistency regardless of whether stocks are rising or falling in value.

The **SPECIALTY PORTFOLIOS** offer three programs tailored to an investor's comfort with portfolio risk. Multi-Guard's goal is avoiding major losses in bear markets, while Multi-Edge's goal is capturing the majority of gains in bull markets.

## The Dalbar Study of Average Equity Investors: "Can You Do It Yourself?"

The Dalbar Study contrasts the performance of average equity investors versus the general market. Despite one's best intentions, equity investors making their own investment decisions are likely to damage their own performance. There is no substitute for the role played by an experienced professional money manager.



Source: Dalbar 2010 update to Quantitative Analysis of Investor Behavior (QAIB). Time Frame: 20 year period ending December 31, 2009. Average equity investor returns were calculated by applying the retention rates of investors of mutual funds to the returns of the S&P 500 Index. Past performance is no guarantee of future results. Not intended to represent the performance of any PSI strategy.

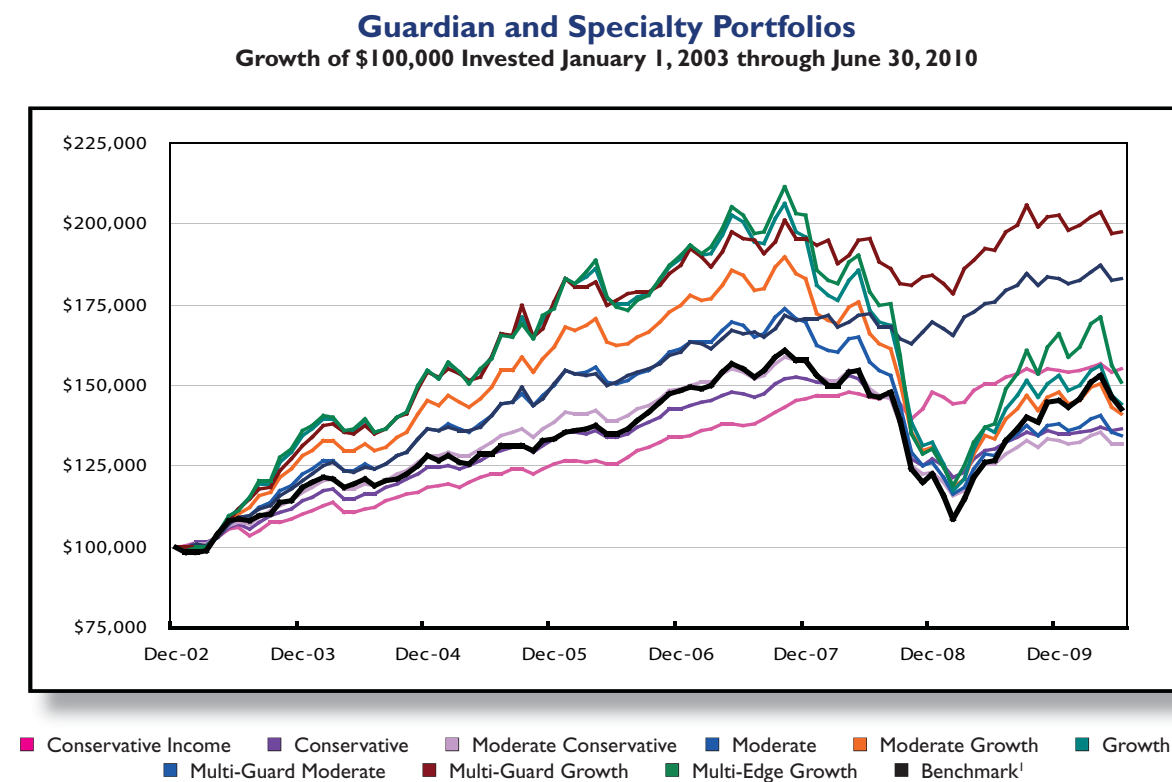
The **GUARDIAN** and **SPECIALTY PORTFOLIOS** provide investors with a combination of money managers in one account. The goal of the programs is to achieve a blend of managers idealized for a client's risk level.

Portfolio Strategies offers nine programs tailored to a client's comfort with portfolio risk. Manager performance in each risk-adjusted model is monitored regularly. Inclusion in the portfolios is based on a history of adding value to a client's account at the chosen risk level.

By combining multiple managers, the programs attempt to create a portfolio that stabilizes investment returns, achieving long-term results while reducing the likelihood of uncomfortable short-term surprises. The **GUARDIAN** and **SPECIALTY PORTFOLIOS** use a variety of active management techniques to reallocate assets in response to market change. The programs seek to closely match benchmark performance in rising markets while lessening the impact of falling markets allowing for faster investment recovery.

## Enjoy the advantages of the Guardian and Specialty Portfolios

- **Time:** Your time is valuable. With so many daily commitments, it is difficult to keep up-to-date on all the financial information that could impact your account.
- **Daily supervision:** Watching over the investments in your account is a full-time job. Why not let our professional money managers do the job for you. Portfolio Strategies has the resources to give your account the attention it requires.
- **Skilled professionals:** It takes intensive study and years of experience to fully understand how changing market conditions affect your account and how best to act upon those changes.



Returns are based on the current mix of PSI strategies within each Guardian/Multi-Edge/Multi-Guard and are net of management fees.  
<sup>1</sup>Benchmark = 60% S&P 500 Index and 40% Barclays Capital US Aggregate Index.

## Here's how the enrollment works

Complete the **GUARDIAN PORTFOLIOS Investor Profile Questionnaire**.

Add up your answers and compare the total to the chart in the questionnaire. For each answer range depicted on the chart, there is a corresponding **GUARDIAN PORTFOLIO**.

- **Conservative Income:** This portfolio is for investors who wish to avoid risk and emphasize protection of principle as their primary objective with some opportunity for growth.
- **Conservative:** This portfolio is for investors who can bear some risk, but want to emphasize protection of principle more than capital growth.
- **Moderate Conservative:** This portfolio is for investors who can bear some risk and want to maximize returns on a portion of their investment, but do not desire to accept large price swings.
- **Moderate:** This portfolio is for investors who consider growth of capital important, but want to safeguard a portion of their money to meet retirement objectives.
- **Moderate Growth:** This portfolio is for investors who consider growth of capital their primary objective, but wish to avoid the price swings of the general market.
- **Growth:** This portfolio is for investors who consider capturing a majority of the market's gains their primary objective. These investors place less emphasis on protection of principle and are willing to accept the price swings of the general market.

Or select a **SPECIALTY PORTFOLIO**.

- **Multi-Guard Moderate:** This portfolio is for investors who want both equity and bond exposure, but are concerned about market risk.
- **Multi-Guard Growth:** This portfolio is for investors who want equity exposure, but are concerned about market risk.
- **Multi-Edge Growth:** This portfolio is for the most aggressive investor. The model will generally remain fully invested, regardless of market conditions.

## Why Portfolio Strategies is the pro for you

- **Experienced professional asset management:** Portfolio Strategies has been working with individuals to bring them dynamic asset management strategies for more than 25 years.
- **Multiple strategies for each participant:** Diversification is crucial. Each of our portfolios is made up of multiple investment strategies that diversify your account, an important factor in helping to protect you from risk.
- **Daily account monitoring:** Portfolio Strategies monitors the positions in each investment strategy every day to ensure that your account is appropriately positioned for the current market conditions.
- **Personal contact:** Your representative is available to answer questions regarding the investments in your account.