

SUCCESSFUL OUTCOMES

Winter | 2008

HEARD ANYTHING ABOUT THE STOCK MARKET LATELY?

It's hard to miss all the news about the volatile stock market and the anxiety surrounding it. However, now may not be the time to start making changes to your retirement plan. Keep these four things in mind the next time you start to get worried:

1

Trying to time the market can seriously hurt returns. Stick with your long-term strategy.

Trying to "play" the market may only create stress for you. You could end up pulling your money out right before the market goes up. Stick with your long-term strategy and, historically, you can end up ahead.

2

If you retire into a down market, you may need to make adjustments, but they don't have to be drastic.

It's natural if you're close to retirement to worry about your retirement investments. However, now may not be the time to switch completely to a conservative investment like bonds. Unless you plan to take a lump sum out when you retire, your retirement plan investment will continue to change with the market as you enter retirement.

3

Cashing out might not be the best decision.

Your losses are theoretically only on paper unless you cash out. If you leave your money in your retirement account, then there is a chance for your return to grow again. If you take your money out, you will "lock in" your losses.

4

Historically the stock market has bounced back.

Throughout history, national crises have often led to great market volatility. But, historically, the stock market has ended up ahead. Stick with it.

Please note: Past performance is not indicative of future results.

SEE POTENTIAL OPPORTUNITY:

While you may be nervous about current market conditions, don't forget to think about the potential opportunities that also exist.

THINK OF IT THIS WAY:

If your favorite store was having a storewide 50% off sale, what would you do? Now, apply that same thought to the stock market. When the market is down, your money may buy more of your retirement plan investments for the same amount of money you were contributing before the markets dropped.

So, you may actually want to consider increasing your retirement contribution. Or, at the very least, keep contributing the same amount you have been contributing to your retirement plan.

DOLLAR COST AVERAGING:

When the price per share is high, your investment buys fewer shares. But, when the share price is low, the investment buys a greater number of shares. Buying the lower priced shares will bring your overall average cost of each share down. This is called dollar cost averaging.

This strategy is particularly useful when dealing with a fluctuating market (like now). However, always remember there is no guaranteed return on variable investments.

Dollar cost averaging does not assure a profit and does not guarantee against loss in a declining market. It depends on continuous investment in the investment regardless of fluctuating price levels and requires that you be able to continue your purchase regardless of the market.

EXAMPLE OF DOLLAR COST AVERAGING

Month	Amount Invested	Cost per Share	No. of Shares
March	\$100	\$20.00	5
April	\$100	\$25.00	4
May	\$100	\$10.00	10
June	\$100	\$50.00	2
Average cost per share		\$19.05	21

Note from the example that the average cost per share was \$19.05. That is the average cost of each share over the four-month period. You can see how holding a steady course through dollar-cost averaging can even out the purchases.



Nationwide[®]
On Your Side

The Nationwide[®] Group Retirement Series includes unregistered group fixed and variable annuities and trust programs. The unregistered group fixed and variable annuities are issued by Nationwide Life Insurance Company. Trust programs and trust services are offered by Nationwide Trust Company, FSB a division of Nationwide Bank[®]. Nationwide Investment Services Corporation, member FINRA. In MI only: Nationwide Investment Svcs. Corporation. Nationwide Mutual Insurance Company and Affiliated Companies, Home Office: Columbus, OH 43215-2220.

Nationwide, Nationwide Financial, Nationwide Bank, the Nationwide framemark, Nationwide Retirement Innovator, Nationwide Retirement Clear Advantage and On Your Side are federally registered service marks of Nationwide Mutual Insurance Company.

© 2008, Nationwide Financial Services, Inc. All rights reserved.

NFM-1819A0.19 (11/08)