

The USCM Deferred Compensation Program



**Nationwide®
Retirement Solutions**

a Nationwide® Financial company

Nationwide Life Insurance Company Group Flexible Fund Retirement Contract issued by Nationwide Life Insurance Company: Percent Change in Net Assets

Average Annualized Total Return: Non-Standardized (For the Non-Standardized report, "N/A" denotes that the underlying investment option **has not been in existence for the time period indicated.**)

Non-Standardized

Q-620-1-0701

2ND QUARTER 2001 PERFORMANCE RESULTS

RISK CATEGORY/ INVESTMENT OPTION NAME	INVESTMENT OBJECTIVE	CATEGORY	YTD 1/1/01-6/30/01	1 YEAR 7/1/00-6/30/01	3 YEARS 7/1/98-6/30/01	5 YEARS 7/1/96-6/30/01	10 YEARS 7/1/91-6/30/01	SINCE INCEPTION	INCEPTION DATE
LIFEDESIGNS SERIES									
(Asset Allocation Funds)									
The Aggressive Portfolio	Asset Allocation	N/A	-7.40%	-16.01%	2.84%	N/A	N/A	6.15%	01/20/98
The Moderately Aggressive Portfolio	Asset Allocation	N/A	-5.19%	-11.30%	3.66%	N/A	N/A	6.37%	01/20/98
The Moderate Portfolio	Asset Allocation	N/A	-4.28%	-9.08%	3.43%	N/A	N/A	5.92%	01/20/98
The Moderately Conservative Portfolio	Asset Allocation	N/A	-2.54%	-5.22%	3.42%	N/A	N/A	5.37%	01/20/98
The Conservative Portfolio	Asset Allocation	N/A	-1.08%	-1.20%	2.81%	N/A	N/A	4.24%	01/20/98
PRESTIGE ADVISOR SERIES AND SELECT SPECTRUM SERIES									
Very High									
<i>Nationwide Small Cap Fund (Instl Svc Class)</i> ^(e)	Small Company	Small Growth	1.93%	3.42%	N/A	N/A	N/A	12.21%	10/30/98
American Century International Discovery Fund (Inv Class) ^{(a) (f)}	Foreign Stock	Foreign Stock	-13.41%	-27.20%	7.72%	14.92%	N/A	15.58%	04/04/94
Brown Capital Small Company Fund (Instl Class) ^(e)	Small Company	Small Growth	4.00%	7.04%	20.04%	18.89%	N/A	17.24%	12/31/92
INVESCO Dynamics Fund (Inv Class)	Aggressive Growth	Mid Cap Growth	-21.27%	-35.25%	8.40%	14.29%	17.38%	9.61%	09/01/67
INVESCO Small Company Growth Fund (Inv Class) ^(e)	Small Company	Small Growth	-11.37%	-27.86%	13.27%	12.42%	N/A	N/A	01/20/98
Janus Adviser Aggressive Growth Fund	Aggressive Growth	Mid Cap Growth	-25.99%	-51.23%	7.60%	N/A	N/A	15.70%	04/30/97
Janus Adviser International Fund ^(a)	Foreign Stock	Foreign Stock	-15.64%	-28.83%	7.74%	N/A	N/A	13.10%	04/30/97
MFS Massachusetts Investors Growth Fund (Class A) ^(f)	Growth	Large Growth	-16.96%	-25.89%	5.74%	18.27%	16.72%	10.72%	01/01/35
Nationwide International Index Fund (Class A) ^(a)	Foreign Stock	Foreign Stock	-15.12%	-24.66%	N/A	N/A	N/A	-19.06%	12/29/99
Nationwide Small Cap Index Fund (Class A) ^(e)	Small Company	Small Blend	5.71%	-2.46%	N/A	N/A	N/A	-0.20%	12/29/99
NSAT Nationwide Small Company Fund ^{(b) (e)}	Aggressive Growth	Small Growth	-1.74%	-0.97%	12.87%	12.99%	N/A	17.18%	10/23/95
Oppenheimer Global Fund (Class A) ^(a)	World Stock	World Stock	-8.46%	-13.55%	13.91%	16.58%	14.27%	12.75%	12/22/69
Putnam Voyager Fund (Class A)	Aggressive Growth	Large Growth	-14.08%	-29.42%	5.14%	11.17%	15.54%	12.74%	04/01/69
Credit Suisse Warburg Pincus Emerging Growth Fund (Common Shares) ^{(e) (f)}	Small Company	Mid Cap Growth	-20.43%	-32.90%	-2.45%	4.17%	12.50%	12.42%	01/21/88
High									
<i>Prestige International Fund (Instl Svc Class)</i>									
<i>(Lazard Asset Management)</i> ^{(a) (f)}	Foreign Stock	Foreign Stock	-14.60%	-20.65%	N/A	N/A	N/A	-1.52%	10/30/98
<i>Nationwide Large Cap Growth Fund (Instl Svc Class)</i>	Growth	Large Growth	-15.35%	-36.41%	N/A	N/A	N/A	0.23%	10/30/98
Dreyfus Appreciation Fund, Inc.	Growth	Large Blend	-7.82%	-9.79%	3.05%	13.36%	13.93%	14.53%	01/18/84
Fidelity Advisor Growth Opportunities Fund (Class A) ^(f)	Growth	Large Blend	-9.45%	-22.74%	-5.55%	5.85%	11.41%	14.47%	11/18/87
MSDW Institutional Funds:									
Equity Growth Portfolio (Class B)	Growth	Large Blend	-11.28%	-26.69%	6.43%	12.96%	N/A	14.70%	01/02/96
Nationwide Mid Cap Market Index Fund (Class A)	Growth	Mid Cap Blend	-0.33%	7.41%	N/A	N/A	N/A	11.46%	12/29/99
Neuberger Berman Partners Fund (Trust Class)	Growth	Large Value	-1.22%	-0.42%	1.28%	10.11%	13.13%	15.55%	01/20/75
Putnam International Growth Fund (Class A) ^(a)	Foreign Stock	Foreign Stock	-14.39%	-23.04%	6.77%	12.60%	12.50%	11.47%	02/28/91
Putnam Investors Fund (Class A)	Growth	Large Growth	-15.57%	-29.71%	-1.07%	11.57%	13.18%	9.32%	12/01/25
Strong Opportunity Fund (Inv Class)	Growth	Mid Cap Value	-0.75%	2.06%	12.46%	16.77%	17.17%	17.13%	12/31/85
Templeton Foreign Fund (Class A) ^(a)	Foreign Stock	Foreign Stock	-4.83%	-3.80%	5.06%	6.21%	9.16%	13.41%	10/05/82
The Dreyfus Premier Third Century Fund, Inc. (Class Z)	Growth	Large Growth	-15.44%	-27.88%	1.16%	11.81%	11.36%	11.36%	03/29/72

RISK CATEGORY/ INVESTMENT OPTION NAME	INVESTMENT OBJECTIVE	CATEGORY	YTD 1/1/01-6/30/01	1 YEAR 7/1/00-6/30/01	3 YEARS 7/1/98-6/30/01	5 YEARS 7/1/96-6/30/01	10 YEARS 7/1/91-6/30/01	SINCE INCEPTION	INCEPTION DATE
PRESTIGE ADVISOR SERIES AND SELECT SPECTRUM SERIES (CONTINUED)									
Moderate									
<i>Nationwide Large Cap Value Fund</i> (Instl Svc Class) ^(f)	Growth	Large Value	1.39%	18.80%	N/A	N/A	N/A	5.95%	10/30/98
American Century Income & Growth Fund (Inv Class)	Growth & Income	Large Value	-4.43%	-11.70%	2.33%	13.54%	14.78%	15.73%	12/17/90
American Century Value Fund	Growth & Income	Mid Cap Value	6.88%	30.77%	6.78%	11.92%	N/A	13.90%	09/01/93
Dreyfus Premier Midcap Stock Fund (Class A)	Growth	Mid Cap Blend	-2.71%	-1.69%	5.16%	13.34%	N/A	14.53%	04/06/94
Gartmore Total Return Fund (Class D)	Growth & Income	Large Blend	-8.31%	-13.54%	-2.18%	12.05%	11.94%	9.64%	05/11/93
Nationwide® S&P 500 Index Fund (Instl Svc Class)	Growth & Income	Large Blend	-7.24%	-15.83%	N/A	N/A	N/A	N/A	
Low									
<i>Prestige Balanced Fund (Instl Svc Class)</i> (JP Morgan Investment Management, Inc.) ^(f)	Balanced	Domestic Hybrid	-2.40%	-5.06%	N/A	N/A	N/A	4.16%	10/30/98
Fidelity Advisor High Yield Fund (Class T)*	Corp. Bond-High Yield	High Yield Bond	-0.99%	-8.58%	-4.07%	2.57%	8.44%	9.15%	01/05/87
INVESCO Total Return Fund (Inv Class) ^(f)	Asset Allocation	Domestic Hybrid	0.20%	1.27%	-0.93%	7.18%	9.92%	10.12%	09/22/87
Very Low									
Federated Bond Fund (Class F) ^(f)	Corp. Bond-General	Intermediate-term Bond	3.29%	6.45%	1.68%	4.98%	7.77%	7.45%	05/20/87
Nationwide Bond Index Fund (Class A)	Corp. Bond-High Quality	Intermediate-term Bond	2.47%	10.49%	N/A	N/A	N/A	8.66%	12/29/99
NSAT Nationwide Income Fund	Corp. Bond-High Quality	Intermediate-term Bond	2.44%	8.66%	4.24%	N/A	N/A	4.36%	01/20/98
PIMCo Total Return Fund (Class A)	Corp. Bond-General	Intermediate-term Bond	1.96%	9.18%	5.18%	6.72%	7.43%	7.75%	05/11/87
Stable Value									
Nationwide® Money Market Fund (Prime Shares) ^(c) ** (7-Day Yield = 2.47%)	Money Market	Money Market	1.82%	4.52%	4.27%	4.27%	3.73%	6.20%	03/03/80
Morley Stable Value Retirement Fund ^{(c) (d)}	Cash	Cash	2.45%	4.99%	4.91%	4.95%	5.24%	5.60%	07/31/89

(a) International investing involves additional risks including: political instability, differences in accounting standards, currency fluctuations, and foreign regulations.

(b) The Nationwide Separate Account Trust—Small Company Fund is not available in all jurisdictions. Please ask your Nationwide Retirement Solutions representative for an availability status in your area.

(c) An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

(d) This Fund may not be available in all plans. This option is offered outside the variable annuity contract. The Fund's initial investments will be in units of Morley Financial's Stable Value Fund ("SVF"). Return history pertains to the SVF, managed by the same fund manager since inception in December 1993.

(e) Small Company underlying funds involve increased risk and volatility.

(f) This fund is not open to new participants

* High yield securities may involve a higher degree of risk in return for their higher yield potential.

** The money market current yield is the annualized historical yield for the 7-day period ending on the last day of the quarter. Yield quotation more closely reflects the current earnings of the money market fund than the total return quotation.

Certain of the underlying funds are not publicly traded mutual funds and are not available directly for purchase by the general public. They are only available through variable life insurance policies or variable annuity contracts issued by life insurance companies, or in some cases, through participation in certain qualified pension or retirement plans.

Past performance is no guarantee of future performance. Investment returns and principal value will fluctuate and the investors' units, when redeemed, may be worth more or less than their original cost. The performance figures assume a \$10,000 hypothetical investment and reflect the deduction of the applicable annual Variable Account Annual Expense Fee (0.70% for the LifeDesigns Series portfolios and the Prestige Advisor Series funds, and 0.80% for the Select Spectrum Series — fees may be less in your plan) assessed by Nationwide Life Insurance Company. The Variable Account expenses are in addition to the underlying fund expenses indicated in the prospectus.

Furthermore, the returns do not reflect the deduction of a Contingent Deferred Sales Charge (CDSC) or Participant Account Maintenance charge (up to \$50-not assessed unless agreed to by the entity) which, if reflected, would reduce the performance shown. The CDSC is not assessed unless the employer (contract owner) terminates the variable group annuity contract under the Suspension and Termination terms as described in the prospectus. The CDSC will not exceed 5% of the lesser of: (1) the total purchase payments received on behalf of the surrendering participant or the withdrawing contract owner prior to the date of the request for surrender, or (2) the amount surrendered.

For more complete information about the variable group annuity contract and its underlying investment options available to you through your deferred compensation program, including all charges, expenses, and limitations, please consult your prospectus(es). Prospectus(es) are available from the Public Sector Service Center at 1-877-NRS-FORU, (1-877-677-3678). Please read the prospectus(es) carefully before investing any money.

Note: The Morningstar categorizations shown above are accurate as of March 31, 2001. The "Year-To-Date" column reflects total return. The "Adoption Date" column reflects date underlying investment option was added to the separate account. The "Inception Date" column reflects date underlying investment option began accepting investments.

Securities offered through: Nationwide Investment Services Corporation, Member NASD. In Michigan only: Securities offered through Nationwide Investment Svcs. Corporation. Variable Group Annuity Contract Number: TSP-556 (or TSP-536 in New York); Fixed Group Annuity Contract Number: TSP-557 (or TSP-557-NY in New York)



Nationwide[®]
Retirement Solutions

a Nationwide[®] Financial company

The USCM Deferred Compensation Program

Nationwide Life Insurance Company Group Flexible Fund Retirement Contract issued by Nationwide Life Insurance Company: Percent Change in Net Assets

Average Annualized Total Return: **STANDARDIZED** (For the Standardized report, "N/A" denotes that the underlying investment option **has not been included in the separate account for the time period indicated.**)

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Standardized

2ND QUARTER 2001 PERFORMANCE RESULTS

RISK CATEGORY/ INVESTMENT OPTION NAME	INVESTMENT OBJECTIVE	CATEGORY	1 YEAR 7/1/00-6/30/01	3 YEARS 7/1/98-6/30/01	5 YEARS 7/1/96-6/30/01	10 YEARS 7/1/91-6/30/01	SINCE ADOPTION	ADOPTION DATE
LIFEDESIGNS SERIES								
(Asset Allocation Funds)								
The Aggressive Portfolio	Asset Allocation	N/A	-16.01%	2.84%	N/A	N/A	6.15%	01/20/98
The Moderately Aggressive Portfolio	Asset Allocation	N/A	-11.30%	3.66%	N/A	N/A	6.37%	01/20/98
The Moderate Portfolio	Asset Allocation	N/A	-9.08%	3.43%	N/A	N/A	5.92%	01/20/98
The Moderately Conservative Portfolio	Asset Allocation	N/A	-5.22%	3.42%	N/A	N/A	5.37%	01/20/98
The Conservative Portfolio	Asset Allocation	N/A	-1.20%	2.81%	N/A	N/A	4.24%	01/20/98
PRESTIGE ADVISOR SERIES AND SELECT SPECTRUM SERIES								
Very High								
<i>Nationwide Small Cap Fund (Instl Svc Class)^(a)</i>	<i>Small Company</i>	<i>Small Growth</i>	3.42%	N/A	N/A	N/A	12.54%	11/13/98
American Century International Discovery Fund (Inv Class) ^{(a)(f)}	Foreign Stock	Foreign Stock	-27.20%	N/A	N/A	N/A	16.54%	11/13/98
Brown Capital Small Company Fund (Instl Class) ^(a)	Small Company	Small Growth	7.04%	N/A	N/A	N/A	31.13%	10/01/99
INVESCO Dynamics Fund (Inv Class)	Aggressive Growth	Mid Cap Growth	-35.25%	N/A	N/A	N/A	14.89%	11/13/98
INVESCO Small Company Growth Fund (Inv Class) ^(a)	Small Company	Small Growth	N/A	N/A	N/A	N/A	N/A	04/25/01
Janus Adviser Aggressive Growth Fund	Aggressive Growth	Mid Cap Growth	N/A	N/A	N/A	N/A	N/A	04/25/01
Janus Adviser International Fund ^(a)	Foreign Stock	Foreign Stock	N/A	N/A	N/A	N/A	N/A	04/25/01
MFS Massachusetts Investors Growth Fund (Class A) ^(f)	Growth	Large Growth	-25.89%	5.74%	18.27%	16.72%	15.35%	01/02/85
Nationwide International Index Fund (Class A) ^(a)	Foreign Stock	Foreign Stock	N/A	N/A	N/A	N/A	N/A	04/25/01
Nationwide Small Cap Index Fund (Class A) ^(a)	Small Company	Small Blend	N/A	N/A	N/A	N/A	N/A	04/25/01
NSAT Nationwide Small Company Fund ^{(b)(c)}	Aggressive Growth	Small Growth	-0.97%	12.87%	N/A	N/A	12.93%	01/02/98
Oppenheimer Global Fund (Class A) ^(a)	World Stock	World Stock	-13.55%	N/A	N/A	N/A	20.84%	11/13/98
Putnam Voyager Fund (Class A)	Aggressive Growth	Large Growth	-29.42%	5.14%	11.17%	15.54%	16.01%	04/30/90
Credit Suisse Warburg Pincus Emerging Growth Fund (Common Shares) ^{(a)(f)}	Small Company	Mid Cap Growth	-32.90%	-2.45%	N/A	N/A	1.01%	01/02/98
High								
<i>Prestige International Fund (Instl Svc Class)</i>								
<i>(Lazard Asset Management)^{(a)(f)}</i>	<i>Foreign Stock</i>	<i>Foreign Stock</i>	-20.65%	N/A	N/A	N/A	-0.26%	11/13/98
<i>Nationwide Large Cap Growth Fund (Instl Svc Class)</i>	<i>Growth</i>	<i>Large Growth</i>	-36.41%	N/A	N/A	N/A	-0.40%	11/13/98
Dreyfus Appreciation Fund, Inc.	Growth	Large Blend	-9.79%	N/A	N/A	N/A	3.59%	11/13/98
Fidelity Advisor Growth Opportunities Fund (Class A) ^(f)	Growth	Large Blend	-22.74%	N/A	N/A	N/A	-6.96%	11/13/98
MSDW Institutional Funds:								
Equity Growth Portfolio (Class B)	Growth	Large Blend	-26.69%	N/A	N/A	N/A	6.73%	11/13/98
Nationwide Mid Cap Market Index Fund (Class A)	Growth	Mid Cap Blend	N/A	N/A	N/A	N/A	N/A	04/25/01
Neuberger Berman Partners Fund (Trust Class)	Growth	Large Value	-0.42%	N/A	N/A	N/A	3.55%	11/13/98
Putnam International Growth Fund (Class A) ^(a)	Foreign Stock	Foreign Stock	-23.04%	N/A	N/A	N/A	-18.98%	05/01/00
Putnam Investors Fund (Class A)	Growth	Large Growth	-29.71%	-1.07%	11.57%	13.18%	13.76%	01/02/85
Strong Opportunities Fund (Inv Class)	Growth	Mid Cap Value	N/A	N/A	N/A	N/A	N/A	04/25/01
Templeton Foreign Fund (Class A) ^(a)	Foreign Stock	Foreign Stock	-3.80%	5.06%	6.21%	N/A	9.76%	11/02/92
The Dreyfus Premier Third Century Fund, Inc. (Class Z)	Growth	Large Growth	-27.88%	1.16%	11.81%	11.36%	10.91%	04/01/87

Standardized (continued)

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PRESTIGE ADVISOR SERIES AND SELECT SPECTRUM SERIES (CONTINUED)

RISK CATEGORY/ INVESTMENT OPTION NAME	INVESTMENT OBJECTIVE	CATEGORY	1 YEAR 7/1/00-6/30/01	3 YEARS 7/1/98-6/30/01	5 YEARS 7/1/96-6/30/01	10 YEARS 7/1/91-6/30/01	SINCE ADOPTION	ADOPTION DATE
Moderate								
Nationwide Large Cap Value Fund (Instl Svc Class) ^(a)	Growth & Income	Large-Cap Value	18.80%	N/A	N/A	N/A	5.73%	11/13/98
American Century Income & Growth Fund (Inv Class)	Growth & Income	Large Value	-11.70%	N/A	N/A	N/A	3.32%	11/13/98
American Century Value Fund	Growth & Income	Mid Cap Value	30.77%	N/A	N/A	N/A	22.98%	05/01/00
Dreyfus Premier Midcap Stock Fund (Class A)	Growth	Mid Cap Blend	-1.69%	N/A	N/A	N/A	10.54%	11/13/98
Gartmore Total Return Fund (Class D)	Growth & Income	Large Blend	-13.54%	-2.18%	12.05%	11.94%	13.95%	01/02/85
Nationwide® S&P 500 Index Fund (Instl Svc Class)	Growth & Income	Large Blend	-15.83%	N/A	N/A	N/A	3.04%	11/13/98
Low								
<i>Prestige Balanced Fund (Instl Svc Class)</i> <i>(JP Morgan Investment Management, Inc.) ^(a)</i>								
Fidelity Advisor High Yield Fund (Class T)*	Corp. Bond-High Yield	High Yield Bond	-5.06%	N/A	N/A	N/A	3.80%	11/13/98
INVECO Total Return Fund (Inv Class) ^(b)	Asset Allocation	Domestic Hybrid	-8.58%	N/A	N/A	N/A	-0.02%	10/30/98
			1.27%	N/A	N/A	N/A	-1.57%	11/13/98
Very Low								
Federated Bond Fund (Class F) ^(a)	Corp Bond-General	Intermediate-term Bond	6.45%	N/A	N/A	N/A	2.24%	11/13/98
Nationwide Bond Index Fund (Class A)	Corp. Bond-High Quality	Intermediate-term Bond	N/A	N/A	N/A	N/A	N/A	04/25/01
NSAT Nationwide Income Fund	Corp. Bond-High Quality	Intermediate-term Bond	8.66%	N/A	N/A	N/A	6.52%	10/01/99
PIMCo Total Return Fund (Class A)	Corp Bond-General	Intermediate-term Bond	N/A	N/A	N/A	N/A	N/A	04/25/01
Stable Value								
Nationwide® Money Market Fund (Prime Shares) ^(c) ** (7-Day Yield = 2.47%)	Money Market	Money Market	4.52%	4.27%	4.27%	3.73%	4.79%	01/02/85
Morley Stable Value Retirement Fund ^{(c) (d)}	Cash	Cash	4.94%	N/A	N/A	N/A	4.08%	

(a) International investing involves additional risks including: political instability, differences in accounting standards, currency fluctuations, and foreign regulations.

(b) The Nationwide Separate Account Trust—Small Company Fund is not available in all jurisdictions. Please ask your Nationwide Retirement Solutions representative for an availability status in your area.

(c) An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

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(f) This fund is not open to new participants.

* High yield securities may involve a higher degree of risk in return for their higher yield potential.

** The money market current yield is the annualized historical yield for the 7-day period ending on the last day of the quarter. Yield quotation more closely reflects the current earnings of the money market fund than the total return quotation.

Past performance is no guarantee of future performance. Investment returns and principal value will fluctuate and the investors' units, when redeemed, may be worth more or less than their original cost. The performance figures assume a \$1,000 hypothetical investment and reflect the deduction of the applicable annual Variable Account Annual Expense Fee (0.70% for the LifeDesigns Series portfolios and the Prestige Advisor Series funds, and 0.80% for the Select Spectrum Series — fees may be less in your plan) assessed by Nationwide Life Insurance Company. The Variable Account expenses are in addition to the underlying fund expenses indicated in the prospectus.

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Securities offered through: Nationwide Investment Services Corporation, Member NASD. In Michigan only: Securities offered through Nationwide Investment Svcs. Corporation. Variable Group Annuity Contract Number: TSP-556 (or TSP-536 in New York); Fixed Group Annuity Contract Number: TSP-557 (or TSP-557-NY in New York)

Quarterly Yields⁽¹⁾

July-September 2000 5.60%
October-December 2000 5.60%

New Deposits⁽²⁾:

January-March 2001 6.15%
April-June 2001 6.00%
July-September 2001 5.90%

2001 Guaranteed Yield⁽³⁾

January-December 2001 5.15%

Standard Interest Annual Effective

Yield Guarantees for the Fixed Account

(The Nationwide Group Fixed

Fund Retirement Contract)

1 YEAR **3 YEARS** **5 YEARS** **10 YEARS**
7/1/00-6/30/01 7/1/98-6/30/01 7/1/96-6/30/01 7/1/91-6/30/01

6.25% 5.92% 6.05% 6.54%

Note: The interest yields shown above represent the average interest yield for the period indicated, based on a \$1,000 hypothetical investment.

⁽¹⁾ Nationwide® will declare, prior to the beginning of each calendar quarter, the current interest yield to be credited during that calendar quarter. This yield may exceed the guaranteed minimum yield declared each year.

⁽²⁾ For new deposits after July, 2000.

⁽³⁾ Nationwide® will declare, prior to the beginning of each calendar year, the guaranteed minimum interest yield to be credited during that calendar year. The yield for 2001 will not be less than that set forth above.



Nationwide[®] Retirement Solutions

a Nationwide[®] Financial company

The USCM Deferred Compensation Program

Nationwide Life Insurance Company Group Flexible Fund Retirement Contract issued by Nationwide Life Insurance Company: Percent Change in Net Assets

Average Annualized Total Return: Non-STANDARDIZED (For the Non-Standardized report, "N/A" denotes that the underlying investment option **has not been in existence for the time period indicated.**)

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Non-Standardized

Q-620-2-0701

2ND QUARTER 2001 PERFORMANCE RESULTS

Risk Category/ Investment Option Name	Investment Objective	Category	YTD 1/1/01-6/30/01	1 Year 7/1/00-6/30/01	3 Years 7/1/98-6/30/01	5 Years 7/1/96-6/30/01	10 Years 7/1/91-6/30/01	Since Inception	Inception Date
Passage Series									
Very High									
American Century Growth Fund (Inv Class)	Growth	Large Growth	-13.99%	-31.53%	2.27%	12.39%	11.76%	N/A	
American Century Ultra Fund (Inv Class)	Growth	Large Growth	-9.30%	-24.81%	2.88%	11.31%	15.14%	15.32%	11/02/81
High									
Fidelity Contrafund ^(h)	Growth	Large Growth	-10.57%	-15.90%	4.51%	12.55%	15.90%	12.77%	05/17/67
Fidelity Magellan® Fund ⁽ⁱ⁾	Growth	Large Blend	-6.56%	-16.23%	5.13%	13.11%	14.34%	16.49%	05/02/63
Gartmore Growth Fund (Class D) ⁽ⁱ⁾	Growth	Large Growth	-21.43%	-42.81%	-13.42%	0.77%	7.17%	7.08%	02/27/61
Janus Fund	Growth	Large Growth	-12.70%	-28.25%	6.85%	14.09%	14.18%	15.35%	02/05/70
The Growth Fund of America® (Class A)	Growth	Large Growth	-6.35%	-13.68%	18.13%	20.65%	17.04%	11.90%	07/29/69
T Rowe Price International Stock Fund ^(a)	Foreign Stock	Foreign Stock	-16.72%	-28.42%	-2.50%	2.31%	6.87%	11.02%	05/09/80
MFS® Growth Opportunities Fund (Class A) ⁽ⁱ⁾	Growth	Large Growth	-17.00%	-31.05%	0.82%	10.03%	11.85%	12.59%	09/09/70
Seligman Growth Fund (Class A)	Growth	Large Growth	-11.47%	-33.34%	1.97%	9.84%	11.47%	9.96%	04/01/37
Moderate									
Fidelity Equity-Income Fund	Equity Income	Large Value	-1.52%	9.04%	4.20%	12.26%	14.36%	13.08%	05/16/66
INVESCO Equity Income Fund (Inv Class) ⁽ⁱ⁾	Equity Income	Large Blend	-6.80%	-5.52%	3.63%	10.88%	11.57%	12.32%	02/01/60
Dreyfus S&P 500 Index Fund	Growth & Income	Large Blend	-7.40%	-16.06%	2.36%	12.79%	13.48%	12.25%	01/02/90
Delaware Decatur Equity Income Fund (Class A) ⁽ⁱ⁾	Equity Income	Large Value	-1.94%	13.87%	0.79%	9.92%	11.60%	N/A	
Evergreen Income & Growth Fund (Class Y) ⁽ⁱ⁾	Equity Income	Mid Cap Value	0.01%	10.40%	5.81%	9.73%	9.89%	12.21%	08/31/78
Low									
Fidelity Asset Manager™ ^(a)	Multi-Asset Global	Domestic Hybrid	-3.09%	-4.95%	5.73%	10.65%	10.62%	11.08%	12/28/88
The Income Fund of America® (Class A) ⁽ⁱ⁾	Asset Allocation	Domestic Hybrid	4.58%	15.47%	5.13%	10.27%	11.31%	N/A	02/05/70
MFS® High Income Fund (Class A) ^{(i)*}	Corp. Bond-High Yield	High Yield Bond	1.12%	-6.63%	-2.15%	3.52%	7.75%	8.71%	02/17/78
Very Low									
Federated U.S. Gov't Securities Funds:									
2-5 Yr Trust (Instl Shares)	Gov't Bond—Treasury	Short Term Gov't.	3.04%	9.42%	4.99%	5.41%	5.58%	6.89%	02/18/83
The Bond Fund of America SM (Class A) ⁽ⁱ⁾	Corp. Bond-General	Intermediate-term Bond	3.68%	7.43%	3.66%	5.63%	7.21%	8.68%	05/28/74
MAS Funds Fixed Income Portfolio	Corp. Bond-General	Intermediate-term Bond	4.51%	11.77%	5.15%	6.57%	7.78%	8.90%	11/14/84

⁽ⁱ⁾ This fund is not open to new participants.

^(a) International investing involves additional risks including: political instability, differences in accounting standards, currency fluctuations, and foreign regulations.

^(b) This fund is closed to entities adopting The United States Conference of Mayors Deferred Compensation Program on or after July 1, 1998.

⁽ⁱ⁾ This fund is closed to entities adopting The United States Conference of Mayors Deferred Compensation Program on or after November 1, 1997.

⁽ⁱ⁾ These funds are closed to entities adopting The United States Conference of Mayors Deferred Compensation Program on or after July 1, 1994.

* High yield securities may involve a higher degree of risk in return for their higher yield potential.

Past performance is no guarantee of future performance. Investment returns and principal value will fluctuate and the investors' units, when redeemed, may be worth more or less

than their original cost. The performance figures assume a \$10,000 hypothetical investment and reflect the deduction of the applicable annual Variable Account Annual Expense Fee (0.95% for the Passage Series — this fee may be less in your plan). The Variable Account expenses are in addition to the underlying fund expenses indicated in the prospectus.

Furthermore, the returns do not reflect the deduction of a Contingent Deferred Sales Charge (CDSC) or Participant Account Maintenance charge (up to \$50-not assessed unless agreed to by the entity) which, if reflected, would reduce the performance shown. The CDSC is not assessed unless the employer (contract owner) terminates the variable group annuity contract under the Suspension and Termination terms as described in the prospectus. The CDSC will not exceed 5% of the lesser of: (1) the total purchase payments received on behalf of the surrendering participant or the withdrawing contract owner prior to the date of the request for surrender, or (2) the amount surrendered.

For more complete information about the variable group annuity contract and its underlying investment options available to you through your deferred compensation program, including all charges, expenses, and limitations, please consult your prospectus(es). Prospectus(es) are available from the Public Sector Service Center at 1-877-NRS-FORU (1-877-677-3678). Please read the prospectus(es) carefully before investing any money.

Note: The Morningstar categorizations shown above are accurate as of March 31, 2001. The "Year-To-Date" column reflects total return. The "Adoption Date" column reflects date underlying investment option was added to the separate account. The "Inception Date" column reflects date underlying investment option began accepting investments.

Securities offered through: Nationwide Investment Services Corporation, Member NASD. In Michigan only: Securities offered through Nationwide Investment Svcs. Corporation.

Variable Group Annuity Contract Number: TSP-556 (or TSP-536 in New York); Fixed Group Annuity Contract Number: TSP-557 (or TSP-557-NY in New York)



Nationwide®
Retirement Solutions

a Nationwide® Financial company

The USCM Deferred Compensation Program

Nationwide Life Insurance Company Group Flexible Fund Retirement Contract issued by Nationwide Life Insurance Company: Percent Change in Net Assets

Average Annualized Total Return: STANDARDIZED (For the Standardized report, "N/A" denotes that the underlying investment option **has not been included in the separate account for the time period indicated.**)

Standardized

2ND QUARTER 2001 PERFORMANCE RESULTS

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RISK CATEGORY/ INVESTMENT OPTION NAME	INVESTMENT OBJECTIVE	CATEGORY	1 YEAR 7/1/00-6/30/01	3 YEARS 7/1/98-6/30/01	5 YEARS 7/1/96-6/30/01	10 YEARS 7/1/91-6/30/01	SINCE ADOPTION	ADOPTION DATE
PASSAGE SERIES								
Very High								
American Century Growth Fund (Inv Class)	Growth	Large Growth	-31.53%	2.27%	12.39%	11.76%	14.14%	01/02/85
American Century Ultra Fund (Inv Class)	Growth	Large Growth	-24.81%	2.88%	11.31%	N/A	13.54%	11/15/91
High								
Fidelity Contrafund ^(b)	Growth	Large Growth	-15.90%	4.51%	12.55%	N/A	14.97%	11/02/92
Fidelity Magellan® Fund ^(b)	Growth	Large Blend	-16.23%	5.13%	13.11%	N/A	13.32%	01/02/92
Gartmore Growth Fund (Class D) ^(b)	Growth	Large Growth	-42.81%	-13.42%	0.77%	7.17%	7.43%	05/01/86
Janus Fund	Growth	Large Growth	-28.25%	6.85%	14.09%	N/A	13.83%	05/03/93
The Growth Fund of America® (Class A)	Growth	Large Growth	-13.68%	18.13%	20.65%	17.04%	16.01%	05/31/91
T Rowe Price International Stock Fund ^(b)	Foreign Stock	Foreign Stock	-28.42%	-2.50%	2.31%	6.87%	6.09%	04/30/90
MFS® Growth Opportunities Fund (Class A) ^(b)	Growth	Large Growth	-31.05%	0.82%	10.03%	11.85%	11.56%	01/02/85
Seligman Growth Fund (Class A)	Growth	Large Growth	-33.34%	1.97%	9.84%	11.47%	12.71%	01/02/85
Moderate								
Fidelity Equity-Income Fund	Equity Income	Large Value	9.04%	4.20%	12.26%	14.36%	12.99%	01/02/85
INVESCO Equity Income Fund (Inv Class) ^(b)	Equity Income	Large Blend	-5.52%	3.63%	10.88%	N/A	11.45%	11/02/92
Dreyfus S&P 500 Index Fund	Growth & Income	Large Blend	-16.06%	2.36%	N/A	N/A	10.70%	05/01/97
Delaware Decatur Equity Income Fund (Class A) ^(b)	Equity Income	Large Value	13.87%	0.79%	9.92%	11.60%	10.99%	05/31/91
Evergreen Income & Growth Fund (Class Y) ^(b)	Equity Income	Mid Cap Value	10.40%	5.81%	9.73%	9.89%	7.84%	05/01/87
Low								
Fidelity Asset Manager™ ^(a)	Multi-Asset Global	Domestic Hybrid	-4.95%	5.73%	10.65%	N/A	8.96%	11/01/93
The Income Fund of America® (Class A) ^(b)	Asset Allocation	Domestic Hybrid	15.47%	5.13%	10.27%	11.31%	11.23%	04/30/90
MFS® High Income Fund (Class A) ^{(b)*}	Corp. Bond-High Yield	High Yield Bond	-6.63%	-2.15%	3.52%	7.75%	7.54%	01/02/85
Very Low								
Federated U.S. Gov't Securities Funds:								
2-5 Yr Trust (Instl Shares)	Gov't Bond-Treasury	Short Term Gov't.	9.42%	4.99%	5.41%	N/A	4.57%	04/30/93
The Bond Fund of America™ (Class A) ^(b)	Corp. Bond-General	Intermediate-term Bond	7.43%	3.66%	5.63%	7.21%	7.22%	05/01/87
MAS Funds Fixed Income Portfolio	Corp. Bond-General	Intermediate-term Bond	11.77%	5.15%	6.57%	N/A	7.10%	09/01/94

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