

EXHIBIT C

Board Meeting

May 20, 2010

Kent County Water Authority

Portfolio Review

For the period ending 12/31/2009

Kent County Water Authority

Investment Policy Review

Period Ending 12/31/2009

GR#004214-202-001

Investment Policy Review

The Plan's Investment Policy Statement provides the framework for the selection of appropriate investment options, as well as criteria for their monitoring. The ongoing review of these investment options ensures that the Plan is adhering to the terms and objectives outlined in the policy statement. Specifically, Plan Sponsors should contemplate the following items to affirm the Plan's compliance with their policy statement:

1. Investment Goals and Objectives

- a) Have the plan's investment goals changed since the last review?
- b) Have the performance expectations for the various asset classes changed since the last review?
- c) Are the selected investments still aligned with the specific objectives and guidelines of the investment policy?
- d) Is the investment program compliant with current state and federal regulations?

2. Investment Policies and Procedures

- a) Is the current asset allocation sufficiently diversified to maintain a reasonable level of risk without imprudently sacrificing return?
- b) Have the Plan's investments been formally reviewed within the past year?

3. Performance Objectives

The performance objectives are established at the Total Plan Level. Are these objectives achieving a:

- a) Rate of return equal to or greater than the actuarial interest rate?
- b) Real return above inflation?
- c) Rate of return equal to or greater than the target rate of return?

4. Investment Review

On an ongoing basis, at a minimum annually, the Plan Sponsor will monitor the investment managers for compliance with the Investment Policy Statement. The Investment Policy Statement and the Plan's underlying investments should be modified accordingly when goals, objectives or expectations change.

Kent County Water Authority

Portfolio Allocation

Period Ending 12/31/2009

GR#004214-202-001

Total Portfolio

\$3,499,204

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

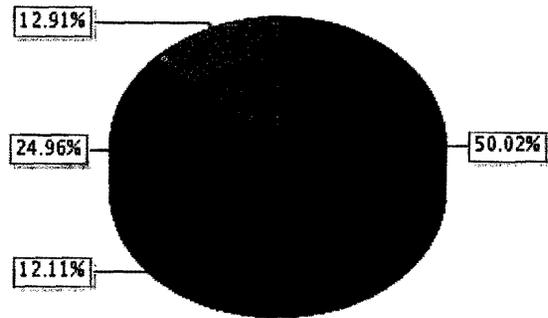
Kent County Water Authority

Portfolio Allocation

Period Ending 12/31/2009

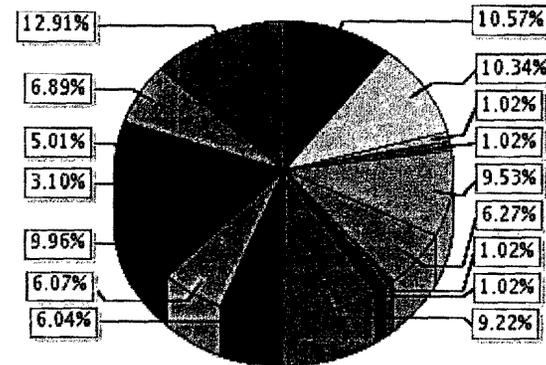
GR#004214-202-001

Asset Allocation by Broad Asset Class



Domestic Equity
 International/Global Equity
 Bond
 Cash/Cash Equivalent

Portfolio Construction



All Pro Large Cap Growth Fund
 All Pro Large Cap Value Fund
 All Pro Small Cap Growth Fund
 All Pro Small Cap Value Fund
 Vanguard Growth Index Fund Shares
 Vanguard Mid-Cap Index Fund
 Vanguard Small-Cap Growth Index Fund
 Vanguard Small-Cap Value Index Fund
 Vanguard Value Index Fund
 All Pro International Equity Strategy
 Vanguard Total International Stock Index Fund
 All Pro Diversified Bond Fund
 Vanguard High-Yield Corporate Fund
 Vanguard Inflation-Protected Securities
 Vanguard Total Bond Market Index Fund
 Fixed Income Fund

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Portfolio Activity Summary

Period Ending 12/31/2009

GR#004214-202-001

| | <u>Current Month</u> | <u>10/2009 - 12/2009</u> | <u>07/2009 - 09/2009</u> | <u>04/2009 - 06/2009</u> | <u>01/2009 - 03/2009</u> | <u>Current Year-to-Date</u> | <u>Since 02/21/1996</u> |
|------------------------------------|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------|-----------------------------|
| Beginning Market Value | \$3,378,267 | \$3,278,565 | \$2,926,407 | \$2,691,755 | \$2,940,501 | \$2,940,501 | \$662,698 |
| Contributions | \$86,667 | \$173,333 | \$86,667 | \$0 | \$0 | \$260,000 | \$7,546,208 |
| Distributions | (\$22,775) | (\$70,415) | (\$71,460) | (\$71,460) | (\$71,460) | (\$284,793) | (\$6,050,581) |
| Gain/Losses | \$57,045 | \$117,720 | \$336,951 | \$306,111 | (\$177,286) | \$583,496 | \$1,340,879 |
| Ending Market Value | \$3,499,204 | \$3,499,204 | \$3,278,565 | \$2,926,407 | \$2,691,755 | \$3,499,204 | \$3,499,204 |
| Period End Asset Allocation | | | | | | | |
| Domestic Equity | 50.01% | 50.01% | 50.92% | 50.80% | 47.13% | | |
| International/Global Equity | 12.11% | 12.11% | 13.21% | 13.74% | 11.22% | | |
| Bond | 24.96% | 24.96% | 24.14% | 23.98% | 26.71% | | |
| Cash/Cash Equivalent | 12.91% | 12.91% | 11.73% | 11.49% | 14.93% | | |

Past performance is no guarantee of future results. Portfolio return and investment option performance reflect the deduction of investment management fees and any applicable group variable annuity contract charges (inclusive of broker commissions) that may exist. All performance reflects the reinvestment of all income and capital gains.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Fund Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

| | Fund Inception | Month | 3 Months | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Fund |
|---|----------------|-------|----------|--------|--------|---------|---------|----------|------------|
| | Date | | | | | | | | Inception |
| Domestic Equity | | | | | | | | | |
| All Pro Large Cap Growth Fund | 04/14/1998 | 4.51% | 7.40% | 25.01% | 25.01% | -7.83% | -2.62% | -6.52% | |
| <i>Russell 1000 Growth Index</i> | | 3.09% | 7.94% | 37.21% | 37.21% | -1.88% | 1.64% | -3.75% | |
| All Pro Large Cap Value Fund | 04/14/1998 | 2.20% | 5.02% | 21.02% | 21.02% | -8.35% | -0.21% | 2.14% | |
| <i>Russell 1000 Value Index</i> | | 1.77% | 4.22% | 19.69% | 19.69% | -8.96% | -0.26% | 2.46% | |
| All Pro Small Cap Growth Fund | 04/14/1998 | 7.05% | 3.87% | 21.44% | 21.44% | -9.52% | -2.77% | -4.28% | |
| <i>Russell 2000 Growth Index</i> | | 8.56% | 4.14% | 34.47% | 34.47% | -4.00% | 0.80% | -0.84% | |
| All Pro Small Cap Value Fund | 04/14/1998 | 6.38% | 3.98% | 25.08% | 25.08% | -5.33% | -0.76% | 6.28% | |
| <i>Russell 2000 Value Index</i> | | 7.57% | 3.62% | 20.55% | 20.55% | -8.22% | -0.01% | 8.52% | |
| Vanguard Growth Index Fund Shares | 11/01/2006 | 3.29% | 7.65% | 35.24% | 35.24% | -2.56% | | | |
| <i>MSCI US Prime Market Growth Index</i> | | 3.37% | 7.92% | 36.50% | 36.50% | -1.67% | | | |
| Vanguard Mid-Cap Index Fund | 11/01/2006 | 6.14% | 6.37% | 39.21% | 39.21% | -5.43% | | | |
| <i>MSCI US Mid Cap 450 Index</i> | | 6.24% | 6.64% | 40.50% | 40.50% | -4.60% | | | |
| Vanguard Small-Cap Growth Index Fund | 11/01/2006 | 8.80% | 4.14% | 40.62% | 40.62% | -3.13% | | | |
| <i>MSCI US Small Cap Growth Index</i> | | 8.91% | 4.38% | 41.96% | 41.96% | -2.29% | | | |
| Vanguard Small-Cap Value Index Fund | 11/01/2006 | 6.80% | 3.56% | 29.21% | 29.21% | -7.10% | | | |
| <i>MSCI US Small Cap Value Index</i> | | 6.87% | 3.80% | 30.28% | 30.28% | -6.28% | | | |
| Vanguard Value Index Fund | 11/01/2006 | 1.10% | 4.19% | 18.67% | 18.67% | -9.20% | | | |
| <i>MSCI US Prime Market Value Index</i> | | 1.20% | 4.43% | 19.56% | 19.56% | -8.47% | | | |
| International/Global Equity | | | | | | | | | |
| All Pro International Equity Strategy | 06/29/1998 | 1.06% | 2.28% | 27.28% | 27.28% | -9.93% | 0.82% | 0.26% | |
| <i>MSCI EAFE Index</i> | | 1.45% | 2.23% | 32.45% | 32.45% | -6.00% | 3.57% | 1.35% | |
| Vanguard Total International Stock Index Fund | 05/01/2007 | 1.46% | 2.94% | 35.54% | 35.54% | | | | |

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Fund Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

| | <u>Fund Inception</u> <u>Date</u> | <u>Month</u> | <u>3 Months</u> | <u>YTD</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> | <u>Since Fund</u> <u>Inception</u> |
|---|--------------------------------------|--------------|-----------------|------------|---------------|----------------|----------------|-----------------|---------------------------------------|
| Bond | | | | | | | | | |
| All Pro Diversified Bond Fund | 07/29/1996 | -0.99% | 0.97% | 12.79% | 12.79% | 4.24% | 3.68% | 5.50% | |
| <i>Lehman Aggregate Bond Index</i> | | -1.56% | 0.20% | 5.93% | 5.93% | 6.04% | 4.97% | 6.33% | |
| Vanguard High-Yield Corporate Fund | 11/01/2006 | 2.69% | 4.89% | 38.05% | 38.05% | 2.99% | | | |
| <i>Lehman High Yield Index</i> | | 3.28% | 6.20% | 58.21% | 58.21% | 5.98% | | | |
| Vanguard Inflation-Protected Securities | 11/01/2006 | -2.27% | 1.72% | 10.00% | 10.00% | 5.49% | | | |
| <i>Lehman US Treasury Inflation Notes Index</i> | | -2.61% | -1.31% | -3.57% | -3.57% | 5.54% | | | |
| Vanguard Total Bond Market Index Fund | 11/01/2006 | -1.74% | -0.12% | 5.12% | 5.12% | 5.14% | | | |
| <i>Lehman Aggregate Bond Index</i> | | -1.56% | 0.20% | 5.93% | 5.93% | 6.04% | | | |
| Cash/Cash Equivalent | | | | | | | | | |
| Fixed Income Fund | 04/01/1990 | 0.22% | 0.64% | 3.22% | 3.22% | 4.02% | 4.13% | 4.44% | |
| <i>91-day T-bill Index</i> | | 0.01% | 0.04% | 0.20% | 0.20% | 2.40% | 2.96% | 2.96% | |

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Portfolio Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

| | <u>Month</u> | <u>3 Months</u> | <u>YTD</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> | <u>Since Fund Inception</u> |
|--|--------------|-----------------|------------|---------------|----------------|----------------|-----------------|-----------------------------|
| Blended Domestic Equity | 3.60% | 5.95% | 27.08% | 27.08% | -6.76% | -0.67% | -0.89% | |
| <i>Blended Benchmark</i> | 3.32% | 6.03% | 30.17% | 30.17% | -5.13% | 1.05% | 0.20% | |
| <i>Dow Jones Wilshire 5000 Composite Index</i> | 2.70% | 5.78% | 28.30% | 28.30% | -5.24% | 0.94% | -0.25% | |
| <i>MSCI US Broad Market Index</i> | 2.85% | 5.85% | 28.77% | 28.77% | -5.05% | 1.05% | | |
| <i>Russell 3000 Index</i> | 2.85% | 5.90% | 28.33% | 28.33% | 0.71% | 3.77% | -2.98% | |
| <i>S&P 500 Index</i> | 1.93% | 6.04% | 26.45% | 26.45% | -5.61% | 0.40% | -0.96% | |
| Blended International/Global Equity | 1.26% | 2.61% | 31.42% | 31.42% | -4.95% | 0.41% | 0.13% | |
| <i>MSCI EAFE Index</i> | 1.45% | 2.23% | 32.45% | 32.45% | -6.00% | 3.57% | 1.35% | |
| <i>MSCI Emerging Markets Index</i> | 3.96% | 8.57% | 79.00% | 79.00% | 5.15% | 15.54% | 10.16% | |
| Blended Bond | -1.00% | 1.31% | 13.25% | 13.25% | 4.58% | 1.47% | 2.19% | |
| <i>Lehman Aggregate Bond Index</i> | -1.56% | 0.20% | 5.93% | 5.93% | 6.04% | 4.97% | 6.33% | |
| <i>Lehman Government Bond Index</i> | -2.27% | -1.00% | -2.19% | -2.19% | 6.10% | 4.87% | 6.17% | |
| <i>Lehman High Yield Index</i> | 3.28% | 6.20% | 58.21% | 58.21% | 5.98% | 6.47% | 6.72% | |
| Blended Cash/Cash Equivalent | 0.22% | 0.64% | 3.22% | 3.22% | 4.02% | 4.13% | 4.44% | |
| <i>91-day T-bill Index</i> | 0.01% | 0.04% | 0.20% | 0.20% | 2.40% | 2.96% | 2.96% | |
| | <u>Month</u> | <u>3 Months</u> | <u>YTD</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> | <u>Since 02/21/1996</u> |
| Portfolio Level Return | | | | | | | | |
| Total Portfolio | 1.68% | 3.57% | 21.02% | 21.02% | -1.88% | 1.48% | 2.49% | 4.62% |

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Portfolio Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

| <u>Month</u> | <u>3 Months</u> | <u>YTD</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> | <u>Since Fund Inception</u> |
|--------------|-----------------|------------|---------------|----------------|----------------|-----------------|---------------------------------|
|--------------|-----------------|------------|---------------|----------------|----------------|-----------------|---------------------------------|

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Portfolio Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Portfolio Level Return | | | | | | | | | | |
| Total Portfolio | -25.55% | 4.84% | 9.48% | 4.10% | 8.38% | 17.89% | -6.40% | -1.05% | 0.43% | 9.38% |

Fund returns are based upon fund level performance. Portfolio level returns may vary due to cash flows within the given time period.

Blended asset class and benchmark returns are based upon current investment allocation.

Benchmark Return since the contract inception date, unlike Portfolio Return since the contract inception date, cannot be calculated on an intra-month basis due to the availability of the benchmark data. Therefore, Benchmark Return since the contract inception date will reflect performance data effective the first of the month subsequent to the commencement of the Contract, unless the Contract commenced on the first day of the month. Benchmark Return since contract inception is based upon current investment allocation.

Past performance is no guarantee of future results. Portfolio return and investment option performance reflect the deduction of investment management fees and any applicable group variable annuity contract charges (inclusive of broker commissions) that may exist. All performance reflects the reinvestment of all income and capital gains.

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

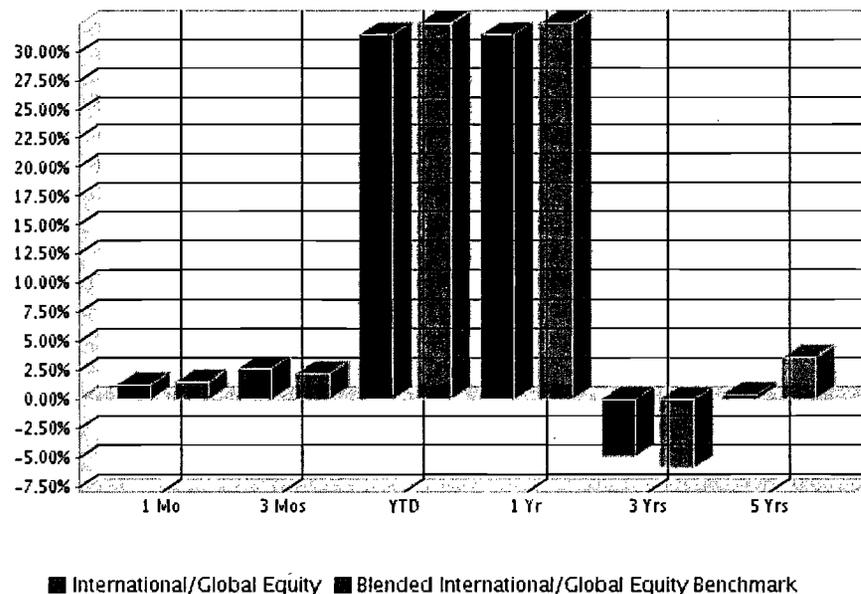
Kent County Water Authority

Periodic Performance Graphs

Period Ending 12/31/2009

GR#004214-202-001

International/Global Equity Performance



All Pro Large Cap Growth Fund - 21.13%
All Pro Large Cap Value Fund - 20.67%
All Pro Small Cap Growth Fund - 2.04%
All Pro Small Cap Value Fund - 2.05%
Vanguard Growth Index Fund Shares - 19.06%
Vanguard Mid-Cap Index Fund - 12.53%
Vanguard Small-Cap Growth Index Fund - 2.05%
Vanguard Small-Cap Value Index Fund - 2.03%

All Pro International Equity Strategy - 49.86%
Vanguard Total International Stock Index Fund - 50.14%

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

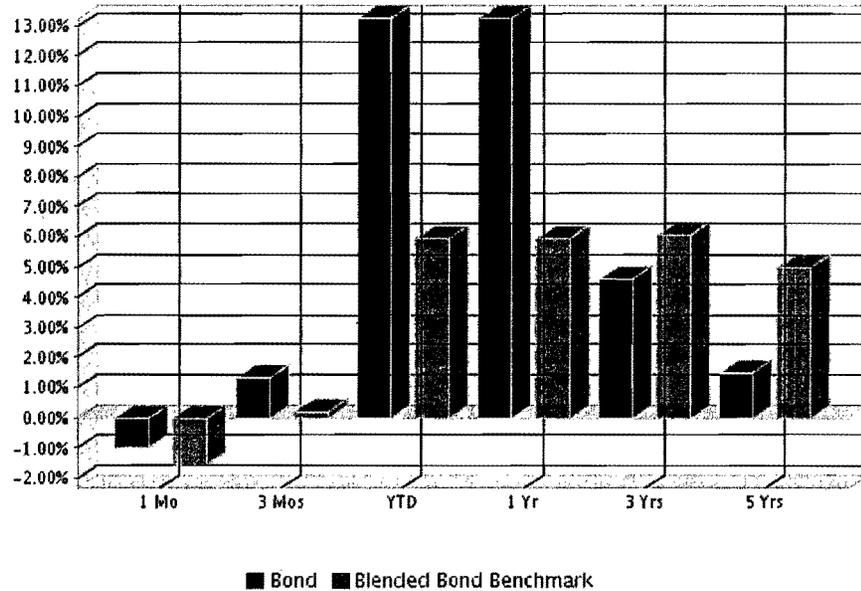
Periodic Performance Graphs

Period Ending 12/31/2009

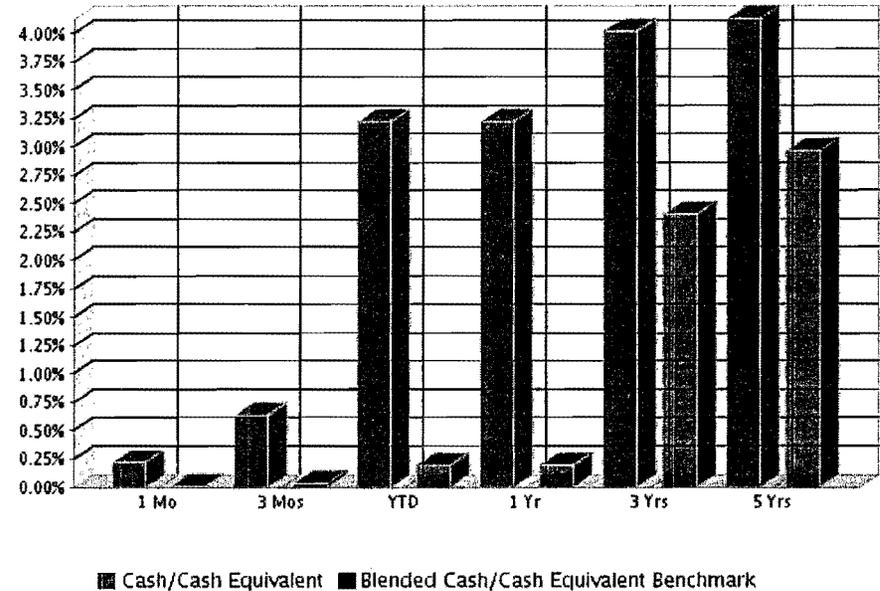
GR#004214-202-001

Vanguard Value Index Fund - 18.44%

Bond Performance



Cash/Cash Equivalent Performance



- All Pro Diversified Bond Fund - 39.88%
- Vanguard High-Yield Corporate Fund - 12.42%
- Vanguard Inflation-Protected Securities - 20.08%
- Vanguard Total Bond Market Index Fund - 27.62%

Fixed Income Fund - 100.00%

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Fund Activity Summary

Period Ending 12/31/2009

GR#004214-202-001

| <u>Investment Option</u> | <u>Beginning</u> | <u>Transfers From</u> | | <u>Transfers To</u> | <u>Benefit</u> | <u>Other</u> | <u>Investment</u> | <u>Ending</u> |
|--|-------------------|-----------------------|--------------------|---------------------|-----------------|----------------------|-------------------|-------------------|
| | <u>Balance</u> | <u>Deposits</u> | <u>Other Funds</u> | <u>Other Funds</u> | <u>Payments</u> | <u>Distributions</u> | <u>Growth</u> | <u>Balance</u> |
| | <u>02/21/1996</u> | | | | | | | <u>12/31/2009</u> |
| All Pro Diversified Bond Fund | \$0 | \$1,237,494 | \$1,225,110 | (\$2,203,856) | \$0 | (\$351,277) | \$440,884 | \$348,355 |
| All Pro Diversified Equity Fund | \$0 | \$360,367 | \$443,659 | (\$1,005,298) | \$0 | \$0 | \$201,272 | \$0 |
| All Pro Equity Growth Fund | \$0 | \$244,367 | \$482,139 | (\$785,470) | \$0 | \$0 | \$58,964 | \$0 |
| All Pro International Equity Strategy | \$0 | \$257,522 | \$455,567 | (\$202,964) | \$0 | (\$209,705) | (\$89,069) | \$211,351 |
| All Pro Large Cap Growth Fund | \$0 | \$45,362 | \$400,424 | (\$21,170) | \$0 | \$0 | (\$54,799) | \$369,817 |
| All Pro Large Cap Value Fund | \$0 | \$45,362 | \$368,250 | (\$33,912) | \$0 | \$0 | (\$17,971) | \$361,729 |
| All Pro Small Cap Growth Fund | \$0 | \$4,536 | \$39,808 | (\$4,564) | \$0 | \$0 | (\$4,001) | \$35,779 |
| All Pro Small Cap Value Fund | \$0 | \$4,536 | \$40,221 | (\$9,544) | \$0 | \$0 | \$587 | \$35,801 |
| All Pro Value Equity Fund | \$0 | \$356,247 | \$452,619 | (\$1,008,460) | \$0 | \$0 | \$199,594 | \$0 |
| Deposit Account | \$0 | \$2,453,872 | \$2,937,383 | (\$2,937,674) | \$0 | (\$2,453,872) | \$292 | \$0 |
| Fixed Income Fund | \$525,860 | \$2,103,695 | \$1,233,914 | (\$710,152) | (\$2,515,663) | (\$520,064) | \$334,303 | \$451,894 |
| International Value Fund | \$0 | \$219,647 | \$291,937 | (\$809,582) | \$0 | \$0 | \$297,998 | \$0 |
| Money Market Fund | \$136,838 | \$0 | \$0 | (\$143,343) | \$0 | \$0 | \$6,506 | \$0 |
| Vanguard Growth Index Fund Shares | \$0 | \$40,826 | \$348,545 | (\$39,417) | \$0 | \$0 | (\$16,460) | \$333,494 |
| Vanguard High-Yield Corporate Fund | \$0 | \$13,609 | \$106,063 | (\$20,940) | \$0 | \$0 | \$9,760 | \$108,491 |
| Vanguard Inflation-Protected Securities | \$0 | \$22,681 | \$197,283 | (\$44,121) | \$0 | \$0 | (\$476) | \$175,366 |

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Fund Activity Summary

Period Ending 12/31/2009

GR#004214-202-001

| | | | | | | | | |
|--|------------------|--------------------|---------------------|-----------------------|----------------------|----------------------|--------------------|--------------------|
| Vanguard Mid-Cap Index Fund | \$0 | \$27,217 | \$238,959 | (\$37,200) | \$0 | \$0 | (\$9,699) | \$219,277 |
| Vanguard Small-Cap Growth Index Fund | \$0 | \$4,536 | \$39,667 | (\$7,868) | \$0 | \$0 | (\$504) | \$35,831 |
| Vanguard Small-Cap Value Index Fund | \$0 | \$4,536 | \$41,565 | (\$13,312) | \$0 | \$0 | \$2,788 | \$35,577 |
| Vanguard Total Bond Market Index Fund | \$0 | \$31,753 | \$272,283 | (\$81,107) | \$0 | \$0 | \$18,337 | \$241,267 |
| Vanguard Total International Stock Index Fund | \$0 | \$27,217 | \$252,487 | (\$48,263) | \$0 | \$0 | (\$18,943) | \$212,497 |
| Vanguard Value Index Fund | \$0 | \$40,826 | \$354,846 | (\$54,508) | \$0 | \$0 | (\$18,486) | \$322,678 |
| Total Portfolio | \$662,698 | \$7,546,208 | \$10,222,728 | (\$10,222,728) | (\$2,515,663) | (\$3,534,918) | \$1,340,879 | \$3,499,204 |

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

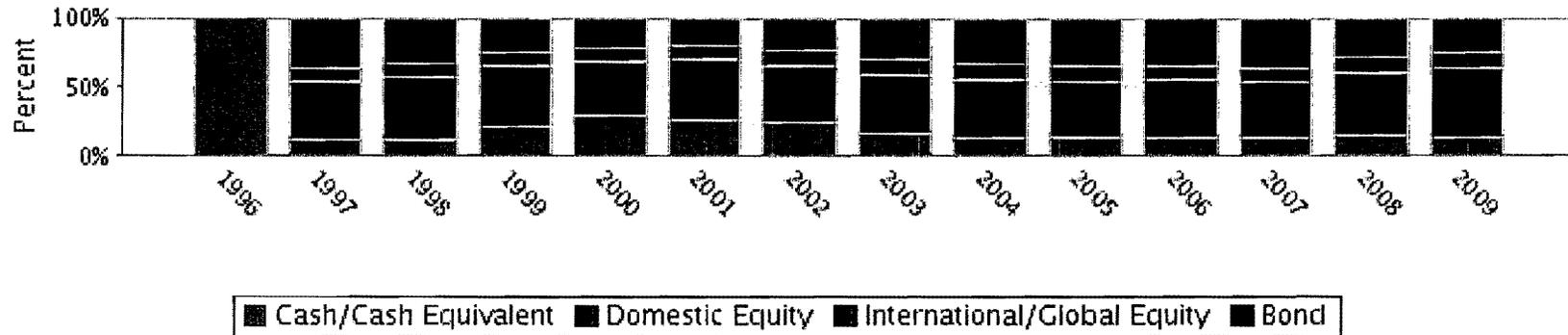
Kent County Water Authority

History of Asset Growth

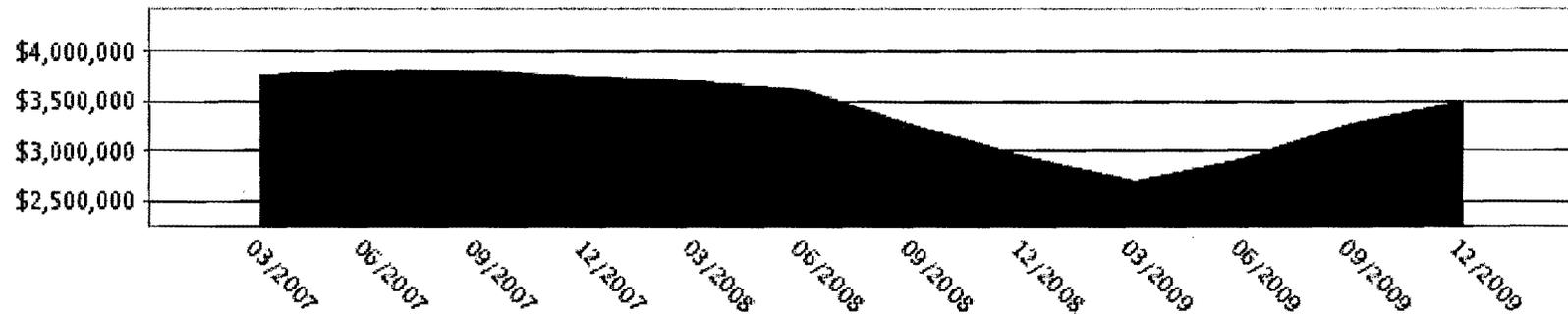
Period Ending 12/31/2009

GR#004214-202-001

Portfolio Allocation Over Time



Ending Market Values Over Time



Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

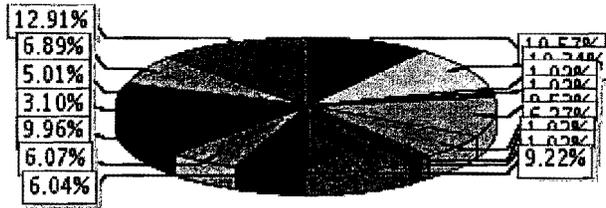
Kent County Water Authority

Portfolio Rebalancing Review

Period Ending 12/31/2009

GR#004214-202-001

Current Portfolio Allocation



Targeted Portfolio Allocation



- All Pro Large Cap Growth Fund
- All Pro Large Cap Value Fund
- All Pro Small Cap Growth Fund
- All Pro Small Cap Value Fund
- Vanguard Growth Index Fund Shares
- Vanguard Mid-Cap Index Fund
- Vanguard Small-Cap Growth Index Fund
- Vanguard Small-Cap Value Index Fund
- Vanguard Value Index Fund
- All Pro International Equity Strategy
- Vanguard Total International Stock Index Fund
- All Pro Diversified Bond Fund
- Vanguard High-Yield Corporate Fund
- Vanguard Inflation-Protected Securities
- Vanguard Total Bond Market Index Fund
- Fixed Income Fund

- All Pro Diversified Bond Fund
- Vanguard High-Yield Corporate Fund
- Vanguard Inflation-Protected Securities
- Vanguard Total Bond Market Index Fund
- Fixed Income Fund
- All Pro Large Cap Growth Fund
- All Pro Large Cap Value Fund
- All Pro Small Cap Growth Fund
- All Pro Small Cap Value Fund
- Vanguard Growth Index Fund Shares
- Vanguard Mid-Cap Index Fund
- Vanguard Small-Cap Growth Index Fund
- Vanguard Small-Cap Value Index Fund
- Vanguard Value Index Fund
- All Pro International Equity Strategy
- Vanguard Total International Stock Index Fund

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Portfolio Rebalancing Review

Period Ending 12/31/2009

GR#004214-202-001

The Targeted Portfolio Allocation is the stated portfolio rebalanced on a quarterly basis. Rebalancing plan assets can help assure that the plan will stay on course in achieving its particular goals.

| | | | |
|--|--------|---|--------|
| All Pro Diversified Bond Fund | 10.00% | Vanguard High-Yield Corporate Fund | 3.00% |
| Vanguard Inflation-Protected Securities Fixed Income Fund | 5.00% | Vanguard Total Bond Market Index Fund | 7.00% |
| All Pro Large Cap Value Fund | 15.00% | All Pro Large Cap Growth Fund | 10.00% |
| All Pro Small Cap Value Fund | 10.00% | All Pro Small Cap Growth Fund | 1.00% |
| Vanguard Mid-Cap Index Fund | 1.00% | Vanguard Growth Index Fund Shares | 9.00% |
| Vanguard Small-Cap Value Index Fund | 6.00% | Vanguard Small-Cap Growth Index Fund | 1.00% |
| All Pro International Equity Strategy | 1.00% | Vanguard Value Index Fund | 9.00% |
| | 6.00% | Vanguard Total International Stock Index Fund | 6.00% |

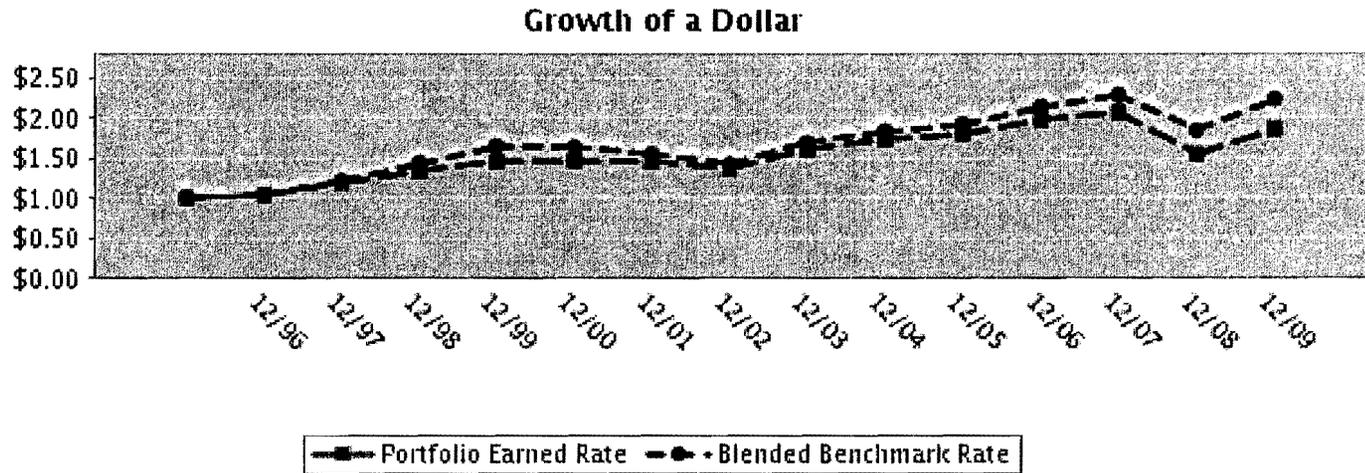
Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Portfolio Analysis

Period Ending 12/31/2009

GR#004214-202-001



Portfolio Earned Rate: annual portfolio performance based on the investment experience of the underlying accounts.

Blended Benchmark Rate: performance of fund benchmarks weighted according to investment elections.

Blended benchmark returns are based upon current investment allocation.

Past performance is no guarantee of future results. Portfolio return and investment option performance reflect the deduction of investment management fees and any applicable group variable annuity contract charges (inclusive of broker commissions) that may exist. All performance reflects the reinvestment of all income and capital gains.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Benefit Payment Review

Period Ending 12/31/2009

GR#004214-202-001

Amount of Benefit Payments

| | <u>Current Month</u> | <u>10/2009 - 12/2009</u> | <u>07/2009 - 09/2009</u> | <u>04/2009 - 06/2009</u> | <u>01/2009 - 03/2009</u> | <u>Current Year-to-Date</u> | <u>Since 02/21/1996</u> |
|--------------------------|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------|-----------------------------|
| Beginning Balance | \$3,378,267 | \$3,278,565 | \$2,926,407 | \$2,691,755 | \$2,940,501 | \$2,940,501 | \$662,698 |
| Benefit Payments | (\$22,775) | (\$70,415) | (\$71,460) | (\$71,460) | (\$71,460) | (\$284,793) | (\$2,515,663) |
| Ending Balance | \$3,499,204 | \$3,499,204 | \$3,278,565 | \$2,926,407 | \$2,691,755 | \$3,499,204 | \$3,499,204 |

Number of Benefit Payments

| | <u>Current Month</u> | <u>10/2009 - 12/2009</u> | <u>07/2009 - 09/2009</u> | <u>04/2009 - 06/2009</u> | <u>01/2009 - 03/2009</u> | <u>Current Year-to-Date</u> | <u>Since 02/21/1996</u> |
|----------------------------|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------|-----------------------------|
| Repetitive Payments | 21 | 65 | 66 | 66 | 66 | 263 | 2789 |
| Other Payments | 0 | 0 | 0 | 0 | 0 | 0 | 3 |

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Market Commentary

Period Ending 12/31/2009

GR#004214-202-001

Nationwide Market Commentary Fourth Quarter 2009

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Market Commentary

Period Ending 12/31/2009

GR#004214-202-001

U.S. Economy

Real GDP grew at an annual rate of 2.2% during the 3rd quarter, marking its first increase since the second quarter of 2008. Real GDP has contracted -3.1% since the recession began in Q1 2008 (Source: BEA). The Fed Funds Target Rate has been held in an accommodative range of 0.00%-0.25% since the FOMC moved to that minimum level in December 2008. Yields on the 10-year Treasury fell slightly through November (from 3.31% to 3.21%), but jumped 64 basis points in December to end the quarter and year at 3.85%; a noteworthy 1.6% above 2008's year-end yield of 2.25% (Source: Federal Reserve). CPI rose 0.4% in November and 0.8% for the three months September-November. Despite the notable short-term rise, CPI is up a modest 1.9% from a year ago. Inflation expectations trended higher during the quarter, as 10-year breakeven inflation surged from 1.75% at the end of September to 2.37% by year's end (Source: BLS, US Treasury). The rate of job losses slowed in the previous three months. November's 11,000 loss marked the smallest drop in the 23 months since the recession began. Still, the direction remained negative through November and brought recession-to-date job losses to 7.2 million and the unemployment rate to 10% (Source: BLS).

U.S. Equity Market

The U.S. stock market finished the year strong with the Wilshire 5000 IndexSM posting a gain of 2.70% and 5.79% for the month and quarter, respectively. For the year, the market shook off a -24.49% selloff through its March 9th low to rally 69.92% and close the year with an impressive 28.30% return; its highest yearly gain since a 31.64% advance in 2003. The market ended 2009 with three consecutive quarterly gains and a return of 43.46% over that nine month stretch. Since its October 9, 2007 high, however, the Wilshire 5000 is still down -24.21%.

Small capitalization stocks maintained their leadership roll through the market recovery, with the Wilshire U.S. Small Cap IndexSM posting an 8.25% return in December to end 2009 with an impressive 41.79% advance. Only the microcap size segment performed better with an annual return of 47.59%. Growth stocks performed particularly well within the large cap segment, as the Wilshire U.S. Large Cap Growth IndexSM outpacing the large value index 7.59% to 4.52% for the quarter and 36.88% to 16.98% for the year. The Wilshire U.S. Small Cap Value IndexSM returned 103.36% since March 9th, representing the first style segment to double off the broad market's March low.

Information Technology, Materials and Consumer Discretionary stocks lead all sectors for both the year and quarter with returns of 61.8%, 52.9% and 47.1%, respectively, in 2009 and 10.4%, 8.3% and 8.3% for the quarter. The Financials sector was the only group to suffer a Q4 loss, falling -2.2% to close the year with a lackluster 14.2% return.

Real GDP gained 2.2% during the third quarter, which was the first increase in GDP since the 1.5% advance during the third quarter of 2008. While economic conditions remain tenuous, the rise in GDP along with narrowing job losses and a stabilizing housing market are beginning to

Kent County Water Authority

Market Commentary

Period Ending 12/31/2009

GR#004214-202-001

paint a picture of economic recovery. However, the recent increases in realized and expected inflation suggest that elevated levels of government stimulus, which have provided support for a recovery, may also be starting to pressure consumer prices higher.

Non-U.S. Equity Market

Despite a modest recovery in the US dollar over the fourth quarter, major global equity markets continued their 2009 rallies through year-end, with European shares finding strong favor with global investors. Japan continued to struggle against the worldwide trade slowdown, dragging down Pacific region shares relative to other world markets; the December run-up in Japanese stocks may hint of a belated rally into 2010, but the yen still weakened against the dollar. Emerging-market stocks enjoyed sterling performance throughout the year. Investors now look to 2010 as a more challenging market environment as world governments and central banks unwind stimulus measures designed to avert a global financial collapse.

Fixed Income Market

The 2009 rally in US credit markets, fueled in large part by government liquidity stimulus programs, hit a headwind in the form of inflation anticipation; a year-end rotation out of US Treasuries pushed long-term yields sharply higher and made long-term Treasuries the worst-performing market sector year-to-date. US Credits continued to find overall favor with investors as risk stayed in fashion; over the quarter, investment-grade Credit OAS to Treasuries fell almost 21% (to 157 basis points), while High-Yield Credit OAS fell 19% (to 617 b.p.) over the quarter. The strong performance of US TIPS reflects continued higher inflation forecasts for 2010 since mid-year. Non-US developed market bonds performed on par with US counterparts, while emerging-market, local currency-denominated debt rallied ahead on a relative basis.

Real Estate and Commodities Markets

Global real estate securities markets continued their 2009 recovery through the fourth quarter, albeit at a more moderate pace than their lofty run-ups in the previous quarter. For the quarter, US real estate securities' performance outpaced global securities, although non-US issues were the stronger performers year-to-date. Commodities markets also rallied into year-end, as increased industrial production fueled a surge in industrial metals (up 16.32% in the fourth quarter alone). Precious metals, petroleum and agriculture products also rose, offsetting losses year-to-date in livestock.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Benchmark Summary

Period Ending 12/31/2009

GR#004214-202-001

| | <u>Month</u> | <u>3 Months</u> | <u>YTD</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|---|--------------|-----------------|------------|---------------|----------------|----------------|-----------------|
| Domestic Equity | | | | | | | |
| Dow Jones Wilshire 5000 Composite Index | 2.70% | 5.78% | 28.30% | 28.30% | -5.24% | 0.94% | -0.25% |
| MSCI US Broad Market Index | 2.85% | 5.85% | 28.77% | 28.77% | -5.05% | 1.05% | |
| MSCI US Mid Cap 450 Index | 6.24% | 6.64% | 40.50% | 40.50% | -4.60% | 2.39% | 3.77% |
| MSCI US Prime Market Growth Index | 3.37% | 7.92% | 36.50% | 36.50% | -1.67% | 1.80% | -4.67% |
| MSCI US Prime Market Value Index | 1.20% | 4.43% | 19.56% | 19.56% | -8.47% | 0.13% | 2.81% |
| MSCI US REIT Index | 7.07% | 9.12% | 28.61% | 28.61% | -12.78% | 0.13% | 10.38% |
| MSCI US Small Cap 1750 Index | 7.88% | 4.10% | 36.14% | 36.14% | -4.21% | 1.81% | 5.89% |
| MSCI US Small Cap Growth Index | 8.91% | 4.38% | 41.96% | 41.96% | -2.29% | 2.58% | 1.89% |
| MSCI US Small Cap Value Index | 6.87% | 3.80% | 30.28% | 30.28% | -6.28% | 1.15% | 9.23% |
| Russell 1000 Growth Index | 3.09% | 7.94% | 37.21% | 37.21% | -1.88% | 1.64% | -3.75% |
| Russell 1000 Value Index | 1.77% | 4.22% | 19.69% | 19.69% | -8.96% | -0.26% | 2.46% |
| Russell 2000 Growth Index | 8.56% | 4.14% | 34.47% | 34.47% | -4.00% | 0.80% | -0.84% |
| Russell 2000 Index | 8.05% | 3.88% | 27.07% | 27.07% | -6.09% | 0.49% | 3.90% |
| Russell 2000 Value Index | 7.57% | 3.62% | 20.55% | 20.55% | -8.22% | -0.01% | 8.52% |
| Russell 3000 Growth Index | 3.48% | 7.64% | 36.99% | 36.99% | -2.07% | 1.57% | -3.54% |
| Russell 3000 Index | 2.85% | 5.90% | 28.33% | 28.33% | 0.71% | 3.77% | -2.98% |
| Russell 3000 Value Index | 2.21% | 4.16% | 19.74% | 19.74% | -8.92% | -0.24% | 2.90% |
| S&P 500 Index | 1.93% | 6.04% | 26.45% | 26.45% | -5.61% | 0.40% | -0.96% |
| International/Global Equity | | | | | | | |
| MSCI EAFE Index | 1.45% | 2.23% | 32.45% | 32.45% | -6.00% | 3.57% | 1.35% |
| MSCI Emerging Markets Index | 3.96% | 8.57% | 79.00% | 79.00% | 5.15% | 15.54% | 10.16% |
| MSCI World Index | 1.83% | 4.18% | 30.80% | 30.80% | -5.47% | 6.44% | 1.76% |

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

Index Specifications

Domestic Equity

Dow Jones Wilshire 5000: This index measures the performance of all U.S. equity securities with readily available price data. Over 5,000 capitalization weighted security returns are used to adjust the index.

Lipper Multi Cap Value Index: This index invests in a variety of market capitalization ranges without concentrating 75% of its equity assets in any one market capitalization range over an extended period of time.

MSCI US Broad Market Index: An index that represents the universe of companies in the US equity market, including large, mid, small and micro cap companies. This index targets for inclusion 99.5% of the capitalization of the US equity market. The MSCI US Broad Market Index is the aggregation of the MSCI US Investable Market 2500 and Micro Cap Indices.

MSCI US Mid Cap 450 Index: An index comprised of the value companies of the MSCI US Mid Cap 450 Index. (The MSCI US Mid Cap 450 Index represents the universe of medium capitalization companies in the US equity market. This index targets for inclusion 450 companies and represents, as of October 29, 2004, approximately 15% of the capitalization of the US equity market.) The MSCI US Mid Cap Value Index is a subset of the MSCI US Mid Cap 450 Index.

MSCI US Prime Market Growth Index: An index comprised of the growth companies of the MSCI US Prime Market 750 Index. (The MSCI US Prime Market 750 Index represents the universe of large and medium capitalization companies in the US equity market. This index targets for inclusion 750 companies and represents, as of October 29, 2004, approximately 86% of the capitalization of the US equity market.) The MSCI US Prime Market Growth Index is a subset of the MSCI US Prime Market 750 Index.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

MSCI US Prime Market Value Index: This index represents the value companies of the MSCI US Prime Market 750 Index. (The MSCI US Prime Market 750 Index represents the universe of large and medium capitalization companies in the US equity market. This index targets for inclusion 750 companies and represents, as of October 29, 2004, approximately 86% of the capitalization of the US equity market.) The MSCI US Prime Market Value Index is a subset of the MSCI US Prime Market 750 Index.

MSCI US REIT Index: This index is a free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US REIT universe.

MSCI US Small Cap 1750 Index: This index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.

MSCI US Small Cap Growth Index: This index is comprised of the growth companies of the MSCI US Small Cap 1750 Index. (The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.) The MSCI US Small Cap Growth Index is a subset of the MSCI US Small Cap 1750 Index.

MSCI US Small Cap Value Index: The MSCI US Small Cap Value Index represents the value companies of the MSCI US Small Cap 1750 Index. (The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.) The MSCI US Small Cap Value Index is a subset of the MSCI US Small Cap 1750 Index.

Russell Mid Cap Index: provides a comprehensive and unbiased barometer for the mid-cap segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. The Russell Midcap Index includes the smallest 800 securities in the Russell 1000

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

Russell Midcap Growth Index: offers investors access to the mid-cap growth segment of the U.S. equity universe. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate mid-cap growth manager's opportunity set.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$12.1 billion; the median market capitalization was approximately \$4.0 billion. The smallest company in the index had an approximate market capitalization of \$1.6 billion.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index: Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$607.1 million; the median market capitalization was approximately \$496.4 million. The largest company in the index had an approximate market capitalization of \$1.6 billion.

Russell 2000 Growth Index: measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Value Index: measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Growth Index: This Index offers investors access to the small to mid-cap growth segment of the U.S. equity universe. The Russell 2500 Growth is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate small to mid-cap growth manager's opportunity set.

Russell 3000 Index: measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. As of the latest reconstitution, the average market capitalization was approximately \$4.4 billion; the median market capitalization was approximately \$822.4 million. The index had a total market capitalization range of approximately \$317.8 billion to \$175.8 million.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

Russell 3000 Growth Index: measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

Russell 3000 Value Index: measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.

S&P 500 Index: A basket of 500 stocks that are considered to be widely held. The S&P 500 Index is weighted by market value, and its performance is thought to be representative of the stock market as a whole. This index provides a broad snapshot of the overall U.S. equity market; in fact, over 70% of all U.S. equity is tracked by the S&P 500. Most of the companies in the index are solid mid cap or large cap corporations.

International Equity

MSCI EAFE Index: Morgan Stanley Capital International Index is designed to measure the performance of the developed stock markets of Europe, Australia, and the Far East.

MSCI Emerging Markets Index: Morgan Stanley Capital International Emerging Markets Index a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI World Index: an unmanaged index composed of more than 1,400 stocks listed on exchanges in the US, Europe, Canada, Australia, New Zealand and the Far East. It assumes the reinvestment of dividends and capital gains and excludes management fees and expenses. One cannot invest directly in an index.

Total International Composite Index: Consists of the MSCI Europe Index, the MSCI Pacific Index, and the MSCI Emerging Markets Index. The MSCI Emerging Markets Index replaced the Select Emerging Markets Index on August 24, 2006. Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

Bonds

Lehman Aggregate Bond Index: An index made up of the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

Lehman Government Bond Index: An index made up of the Treasury Bond Index and the Agency Bond Index as well as the 1-3 Year Government Index and the 20+ Year Treasury Index.

Lehman High Yield Index: This index provides a broad-based measure of global high-yield fixed income markets. The Global High-Yield Index represents that union of U.S. High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices. The Global High-Yield Index is a component of the Multiverse Index, along with the Global Aggregate Index.

Lehman US Treasury Inflation Notes Index: Includes the inflation-indexed securities within the Lehman Treasury Index, which represents U.S. Treasury obligations with maturities of more than 1 year.

Merrill Lynch High Yield Index: An unmanaged market index comprised of all domestic and Yankee high bonds greater than one year maturity.

Cash

91 Day T-Bill Index: Based on the auctions of 91 day U.S. Treasury Bills.

Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

Investment Risk

Foreign Securities Portfolios/Emerging Market Portfolios: The investor should note that portfolios that invest in foreign securities involve special additional risks. These risks included, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets can accentuate these risks.

Non-Diversified Portfolios: The investor should note that portfolios that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investment.

Small Cap Portfolios: The investor should note these portfolios are more volatile than large cap stocks, are subject to significant price fluctuation and business risks, and are thinly traded. Investments in equities are not guaranteed.

Mid Cap Portfolios: The investor should note that portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than securities of larger companies.

High Yield Bond Portfolios: The investor should note that portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increase risk of default.

Money Market Portfolios: The investor should note that a money market portfolio's investment is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although a money market portfolio seeks to preserve the value of an investment at \$1 per share, it is possible to lose money by investing in such a portfolio. The income will vary daily, generally reflecting changes in short-term interest rates.

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

For costs and complete details contact your investment professional or consult your Selector + Group Variable Annuity Contract.

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.