

American Funds NVIT Asset Allocation - Class II

Investment Strategy from investment's prospectus

The investment seeks above-average total return.

The fund invests all of assets in the class 1 shares of the Master Fund. In turn, the master fund seeks to provide investors with high total return consistent with the preservation of capital over the long term by investing in a diversified portfolio of common stocks and other equity securities, bonds and other intermediate and long-term debt securities, and money market instruments. Normally the Fund's investment adviser invests: 40% - 80% in equity securities; 20% - 50% in debt securities; and 0% to 40% in money market instruments.

Past name(s): American Funds GVIT Asset Allocation II.

Category Description: Moderate Allocation

Moderate-allocation funds seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These funds tend to hold larger positions in stocks than conservative-allocation funds. These funds typically have 50% to 70% of assets in equities and the remainder in fixed income and cash.

Broad Asset Class: Asset Allocation

Asset Allocation is the apportioning of investment funds among categories of assets such as Domestic Equity, International Equity, Fixed Income and Cash Equivalents.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity and variable life insurance only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

The Broad Asset Class identifies a fund's investment style. The Broad Asset Class was developed by Nationwide in conjunction with Ibbotson Associates for asset allocation. Asset Allocation does not assure a profit or guarantee against a loss in a declining market.

Portfolio Analysis as of 12-31-07

Composition as of 12-31-07

Composition	Net%
U.S. Stocks	50.2
Non U.S. Stocks	13.3
Bonds	24.7
Cash	11.4
Other	0.4
Total	100.0

Top 20 Holdings as of 12-31-07

Top 20 Holdings	% Assets
Suncor Energy, Inc.	2.51
Fannie Mae	2.40
Schlumberger, Ltd.	2.37
Altria Group Inc.	2.03
US Treasury Note 3.875% 09-15-10	1.96
Broken Hill Proprietary	1.89
Boeing Company	1.79
Chevron Corporation	1.73
Sprint Nextel Corporation	1.71
Nokia Corporation ADR	1.51
Deere & Company	1.39
Newmont Mining	1.35
Petro-Canada	1.35
Medtronic, Inc.	1.32
Microsoft Corporation	1.27
US Treasury Note 4.875% 02-15-12	1.13
Coca-Cola Company	1.11
Lowe's Companies Inc.	1.09
Wyeth	1.09
Best Buy Co., Inc.	1.05
Total Number of Stock Holdings	88
Total Number of Bond Holdings	519
Annual Turnover Ratio %	29
Total Fund Assets (\$mil)	583.4

Risk Classification as of 03-31-08

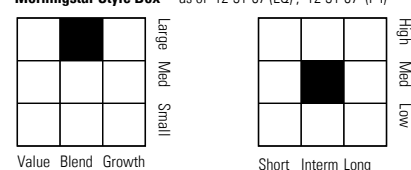
An investment's risk classification corresponds with the following ranges of standard deviation.

I	II	III	IV	V	VI
I	Lowest: Money Market and Stable Value Funds				
II	Very Low: 0.00-3.46				
III	Low: 3.47-5.21				
▶ IV	Moderate: 5.22-9.95				
V	High: 9.96-13.50				
VI	Very High: 13.51 and above				

Standard Deviation is a statistical measurement of dispersion about an average, which depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

Morningstar provides standard deviation and Nationwide provides the ranges.

Morningstar Style Box™ as of 12-31-07 (EQ); 12-31-07 (F-I)



Statistics as of 12-31-07	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	15.09	1.13	1.06
P/B Ratio	2.45	1.06	1.06
P/C Ratio	8.62	0.96	0.97
GeoAvgCap (\$mil)	52,872.54	1.07	1.66

Risk Measures as of 03-31-08	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	7.13	0.51	1.13
3 Yr Beta	1.14	—	1.18
3 Yr Sharpe Ratio	0.43	-4.78	1.95
3 Yr Alpha	-0.95	—	0.47
3 Yr R-squared	86.26	—	1.08

Morningstar Sectors as of 12-31-07

Morningstar Sectors	Fund%	S&P 500%
Information	19.21	20.22
Software	3.27	3.87
Hardware	8.75	9.78
Media	0.65	3.09
Telecommunication	6.54	3.48
Service	32.88	40.24
Healthcare Service	12.19	11.82
Consumer Service	5.90	7.26
Business Service	2.29	4.40
Financial Service	12.50	16.76
Manufacturing	47.92	39.53
Consumer Goods	7.74	8.83
Industrial Materials	20.51	13.67
Energy	18.09	13.47
Utilities	1.58	3.56

Operations

Expense Ratio	0.63% of fund assets
Fund Inception Date	05-01-06
Initial Share Class	05-01-06
Inception Date	
Advisor	Capital Research & Management Co.
Subadvisor	—

Portfolio Manager(s)

James R. Mulally. Since 2006.
 Alan N. Berro. Since 2006.