

AllianceBernstein VPS Small/Mid Cap Value CLA

Investment Strategy from investment's prospectus

The investment seeks long-term growth of capital.

The fund primarily in a diversified portfolio of equity securities of small- to mid-capitalization U.S. companies generally representing 60 to 125 companies. It normally invests at least 80% of net assets in small- to mid-capitalization companies.

Past name(s): AllianceBern VPS Small Cap Value A.

Category Description: Mid-Cap Value

Some mid-cap value funds focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for stocks that are less expensive or growing more slowly than the market. Many of their holdings come from financial, energy, and manufacturing sectors.

Broad Asset Class: Mid Cap Stocks

Shares of ownership in mid-sized corporations.

Notes

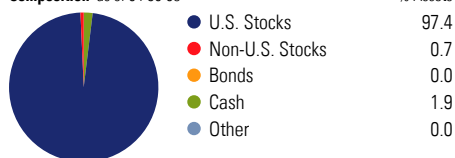
This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity and variable life insurance only), a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment 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 04-30-08

Composition as of 04-30-08



Top 20 Holdings as of 04-30-08

Company	% Assets
Ruddick Corporation	1.94
Arch Capital Group, Ltd.	1.90
Rockwood Holdings, Inc.	1.88
Molson Coors Brewing Company	1.80
Platinum Underwriters Holdings, Ltd.	1.68
Performance Food Group Company	1.66
Oil States International, Inc.	1.62
Ryder System, Inc.	1.60
Reliant Energy, Inc.	1.55
Ashland, Inc.	1.51
TRW Automotive Holdings Corporation	1.47
GATX Corporation	1.43
PerkinElmer, Inc.	1.43
Aspen Insurance Holdings, Ltd.	1.40
Universal Corporation	1.39
Cytec Industries	1.35
Provident Financial Services, Inc.	1.33
SPX Corporation	1.31
StanCorp Financial Group, Inc.	1.30
Kennametal Inc.	1.29
Total Number of Stock Holdings	118
Total Number of Bond Holdings	0
Annual Turnover Ratio %	32
Total Fund Assets (\$mil)	417.2

Risk Classification as of 06-30-08

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 04-30-08

Value Blend Growth	Large	Mid	Small	% Mkt Cap
				Giant 0.00
				Large 2.01
				Medium 50.00
				Small 46.42
				Micro 1.57

Statistics as of 04-30-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	12.19	0.91	0.95
P/B Ratio	1.29	0.62	0.78
P/C Ratio	5.28	0.62	0.68
GeoAvgCap (\$mil)	2,414.91	0.05	0.40

Risk Measures as of 06-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	12.04	0.77	1.01
3 Yr Beta	1.03	—	0.99
3 Yr Sharpe Ratio	0.08	-0.32	2.00
3 Yr Alpha	0.20	—	-0.57
3 Yr R-squared	75.85	—	0.95

Morningstar Sectors as of 04-30-08

Sector	Fund%	S&P 500%
Information	4.83	20.44
Software	0.00	4.00
Hardware	4.83	10.16
Media	0.00	2.95
Telecommunication	0.00	3.33
Service	47.83	37.62
Healthcare Service	5.06	11.94
Consumer Service	10.34	6.95
Business Service	11.04	4.66
Financial Service	21.39	14.07
Manufacturing	47.35	41.96
Consumer Goods	10.20	9.08
Industrial Materials	25.98	12.65
Energy	4.42	16.35
Utilities	6.75	3.88

Operations

Expense Ratio	0.83% of fund assets
Fund Inception Date	05-02-01
Initial Share Class	05-01-01
Inception Date	
Advisor	AllianceBernstein LP
Subadvisor	—

Portfolio Manager(s)

Joseph G. Paul. B.S., U of Arizona, 1982. M.S., M.I.T., 1984. Since 2002.
 James MacGregor, CFA. B.A., McGill U. M.B.A., U of Chicago. Since 2005.