

# American Century VP Mid Cap Value Fund - Class II

## Investment Strategy from investment's prospectus

The investment seeks long-term capital growth; income is a secondary consideration.

The fund invests at least 80% of assets in securities of companies whose market capitalization is within the range of the Russell 3000 index, excluding the largest 100 such companies. The portfolio managers intend to manage the fund so that its weighted capitalization falls within the capitalization range of the members of the Russell Midcap index.

## 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

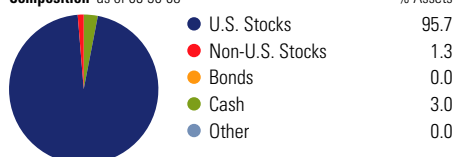
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NOT A DEPOSIT – NOT FDIC INSURED – NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY – NOT GUARANTEED BY THE INSTITUTION – MAY GO DOWN IN VALUE

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 06-30-08

### Composition as of 06-30-08



### Top 20 Holdings as of 06-30-08

Company	% Assets
iShares S&P MidCap 400 Index	4.76
Kimberly-Clark Corporation	4.31
Bemis Company, Inc.	2.98
Kraft Foods, Inc.	2.50
Portland General Electric Company	2.33
Beckman Coulter, Inc.	1.88
ConAgra Foods, Inc.	1.77
Marsh & McLennan Companies	1.75
People's United Financial, Inc.	1.72
International Speedway Corporation A	1.65
Speedway Motor Sports, Inc.	1.54
Westar Energy, Inc.	1.48
Equitable Resources, Inc.	1.43
Marshall & Ilsley Corp.	1.37
Pactiv Corporation	1.28
Hubbell, Inc. B	1.25
Idacorp, Inc.	1.25
Campbell Soup Company	1.22
Empire District Electric	1.19
Avery Dennison Corp.	1.17
Total Number of Stock Holdings	114
Total Number of Bond Holdings	0
Annual Turnover Ratio %	195
Total Fund Assets (\$mil)	309.20

### Risk Classification as of 09-30-08

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

I	II	III	IV	V	VI
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- 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 06-30-08

Value Blend Growth	Large	Med	Small	% Mkt Cap
				Giant 0.93
				Large 22.89
				Medium 51.55
				Small 21.77
				Micro 2.86

### Statistics as of 06-30-08

Statistic	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	13.23	1.07	1.04
P/B Ratio	1.30	0.67	0.88
P/C Ratio	6.45	0.88	1.12
GeoAvgCap (\$mil)	4,839.08	0.11	0.84

### Risk Measures as of 09-30-08

Metric	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	11.18	0.98	0.85
3 Yr Beta	0.84	—	0.80
3 Yr Sharpe Ratio	0.07	-0.25	-0.25
3 Yr Alpha	3.44	—	-6.62
3 Yr R-squared	73.01	—	0.89

### Morningstar Sectors as of 06-30-08

Sector	Fund%	S&P 500%
Information	7.80	19.27
Software	0.74	4.02
Hardware	6.20	9.48
Media	0.82	2.72
Telecommunication	0.04	3.05
Service	32.34	40.95
Healthcare Service	6.73	13.10
ConsumerService	3.07	7.45
Business Service	4.18	4.74
Financial Service	18.36	15.66
Manufacturing	59.86	39.79
Consumer Goods	30.10	10.65
Industrial Materials	12.96	12.22
Energy	3.01	13.43
Utilities	13.79	3.49

### Operations

Expense Ratio	1.15% of fund assets
Fund Inception Date	10-29-04
Initial Share Class	10-29-04
Inception Date	
Advisor	American Century Inv. Mgmt.
Subadvisor	—

### Portfolio Manager(s)

Phillip N. Davidson, CFA. B.S., Illinois State U, 1978. M.B.A., Illinois State U, 1980. Since 2004.  
 Michael Liss, CFA. B.A., Albright C. M.A., Indiana U. Since 2004.