

American Funds American Balanced R5

Overall Morningstar Rating™
★★★

Morningstar Return
Average

Morningstar Risk
Below Average

Out of 935 Moderate Allocation funds. **An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for more detail.**

Investment Strategy from investment's prospectus

The investment seeks conservation of capital, current income and long-term growth of capital and income.

The fund invests in a broad range of securities, including stocks, bonds and securities issued and guaranteed by the U.S. government. It normally maintains at least 50% of assets in common stocks and at least 25% of assets in debt securities, including money market securities. The fund may also hold cash or money market instruments.

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: Balanced

Combination of stocks, bonds and cash.

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus (variable annuity 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.

Morningstar Proprietary Statistics

	YTD	1-Year	3-Year	5-Year	10-Year
Morningstar Rating	—	—	★★★	★★★	—
Fund Rank Percentile	69	59	58	48	—
Out of # of Investments	1,216	1,133	935	707	—

Portfolio Analysis as of 03-31-08

Composition as of 03-31-08



Top 15 Holdings as of 03-31-08

Company	% Assets
Microsoft Corporation	2.15
Wal-Mart Stores, Inc.	2.06
International Business Machines Corp	2.04
General Electric Company	1.93
Berkshire Hathaway Inc. A	1.78
Chevron Corporation	1.74
AT&T, Inc.	1.57
US Treasury Note 4.25% 08-15-13	1.55
Cisco Systems, Inc.	1.49
Oracle Corporation	1.39
Yahoo, Inc.	1.29
Nokia Corporation ADR	1.25
Northrop Grumman Corporation	1.25
Walgreen Company	1.24
Eli Lilly & Company	1.21
Total Number of Stock Holdings	108
Total Number of Bond Holdings	778
Annual Turnover Ratio %	35
Total Fund Assets (\$mil)	55,294.8

Risk Classification as of 06-30-08

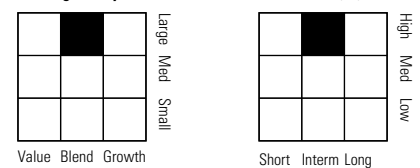
An investment's risk classification corresponds with the following ranges of standard deviation.

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 03-31-08; 03-31-08 (F-I)



Statistics as of 03-31-08

	Port Avg	Rel S&P 500	Rel Cat
P/E Ratio	13.48	1.00	0.96
P/B Ratio	2.29	1.10	1.03
P/C Ratio	12.55	1.47	1.21
GeoAvgCap (\$mil)	73,590.13	1.55	2.41

Risk Measures as of 06-30-08

	Port Avg	Rel S&P 500	Rel Cat
3 Yr Std Dev	6.46	0.41	0.89
3 Yr Beta	0.84	—	0.87
3 Yr Sharpe Ratio	0.02	-0.08	0.29
3 Yr Alpha	-2.08	—	1.01
3 Yr R-squared	79.82	—	0.95

Morningstar Sectors as of 03-31-08

	Fund%	S&P 500%
Information	27.43	20.44
Software	5.95	4.00
Hardware	12.04	10.16
Media	4.46	2.95
Telecommunication	4.98	3.33
Service	39.54	37.62
Healthcare Service	12.15	11.94
Consumer Service	10.83	6.95
Business Service	4.64	4.66
Financial Service	11.92	14.07
Manufacturing	33.03	41.96
Consumer Goods	5.38	9.08
Industrial Materials	17.16	12.65
Energy	9.89	16.35
Utilities	0.60	3.88

Operations

Net Annual Rpt Exp Ratio	0.33% of fund assets
Gross Prospectus Exp Ratio	0.35% of fund assets
Fund Inception Date	05-15-02
Initial Share Class	01-03-33
Inception Date	
Advisor	Capital Research & Mgmt Company
Subadvisor	—

Portfolio Manager(s)

Robert G. O'Donnell. Since 1986.
John H. Smet. Since 1997.