

# INDEX FUNDS

Prospectus March 1, 2010

Fund and Class	Ticker
Nationwide Bond Index Fund Class A	GBIAX
Nationwide Bond Index Fund Class B	GBIBX
Nationwide Bond Index Fund Class C	GBICX
Nationwide Bond Index Fund Class R2	n/a
Nationwide Bond Index Fund Institutional Class	GBXIX
Nationwide International Index Fund Class A	GIIAX
Nationwide International Index Fund Class B	GII BX
Nationwide International Index Fund Class C	GII CX
Nationwide International Index Fund Class R2	GII RX
Nationwide International Index Fund Institutional Class	GIXIX
Nationwide Mid Cap Market Index Fund Class A	GMXAX
Nationwide Mid Cap Market Index Fund Class B	GMCBX
Nationwide Mid Cap Market Index Fund Class C	GMCCX
Nationwide Mid Cap Market Index Fund Class R2	GMXRX
Nationwide Mid Cap Market Index Fund Institutional Class	GMXIX
Nationwide S&P 500 Index Fund Class A	GRMAX
Nationwide S&P 500 Index Fund Class B	GRMBX
Nationwide S&P 500 Index Fund Class C	GRMCX
Nationwide S&P 500 Index Fund Class R2	GRMRX
Nationwide S&P 500 Index Fund Institutional Class	GRMIX
Nationwide S&P 500 Index Fund Service Class	GRMSX
Nationwide S&P 500 Index Fund Institutional Service Class	GRISX
Nationwide Small Cap Index Fund Class A	GMRAX
Nationwide Small Cap Index Fund Class B	GMRBX
Nationwide Small Cap Index Fund Class C	GMRCX
Nationwide Small Cap Index Fund Class R2	GMSRX
Nationwide Small Cap Index Fund Institutional Class	GMRIX

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved these Funds' shares or determined whether this Prospectus is complete or accurate. To state otherwise is a crime.

[www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds)



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Funds®**

*On Your Side®*

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## FUND SUMMARY: NATIONWIDE BOND INDEX FUND

### Objective

The Fund seeks to match the performance of the Barclays Capital U.S. Aggregate Bond Index ("Aggregate Bond Index") as closely as possible before the deduction of Fund expenses.

### Fees and Expenses

This table describes the fees and expenses you may pay when buying and holding shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Nationwide Funds. *More information about these and other discounts is available from your financial professional and in "Investing with Nationwide Funds" commencing on page 30 of this Prospectus and in "Additional Information on Purchases and Sales" commencing on page 73 of the Statement of Additional Information.*

	Class A Shares	Class B Shares	Class C Shares	Class R2 Shares	Institutional Class Shares
<b>Shareholder Fees</b> (paid directly from your investment)					
Maximum Sales Charge (Load) imposed upon purchases (as a percentage of offering price)	5.75%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of offering or sale price, whichever is less)	None	5.00%	1.00%	None	None
Redemption/Exchange Fee (as a percentage of amount redeemed or exchanged with 7 days of purchase)	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)					
Management Fees	0.22%	0.22%	0.22%	0.22%	0.22%
Distribution and/or Service (12b-1) Fees	0.25%	1.00%	1.00%	0.50%	None
Other Expenses	0.33%	0.19%	0.19%	0.39%	0.19%
<b>Total Annual Fund Operating Expenses</b>	0.80%	1.41%	1.41%	1.11%	0.41%
Amount of Fee Waiver/Expense Reimbursement <sup>1</sup>	0.09%	0.09%	0.09%	0.09%	0.09%
<b>Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement</b>	0.71%	1.32%	1.32%	1.02%	0.32%

<sup>1</sup> Nationwide Mutual Funds (the "Trust") and Nationwide Fund Advisors (the "Adviser") have entered into a written contract limiting operating expenses to 0.32% (excluding Rule 12b-1 fees, administrative services fees and certain other expenses) for all share classes until at least February 28, 2011. The expense limitation agreement may be changed or eliminated at any time but only with the consent of the Board of Trustees of the Trust. The Trust is authorized to reimburse the Adviser for management fees previously waived and/or for expenses previously paid by the Adviser, provided, however, that any reimbursements must be paid at a date not more than three years after the fiscal year in which the Adviser waived the fees or reimbursed the expenses and the reimbursements do not cause the Fund to exceed the expense limitation in the agreement.

## FUND SUMMARY: NATIONWIDE BOND INDEX FUND (cont.)

### Example

This Example is intended to help you to compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. It assumes a 5% return each year and no change in expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A shares	\$643	\$807	\$985	\$1,500
Class B shares	634	737	963	1,439
Class C shares	234	437	763	1,683
Class R2 shares	104	344	603	1,344
Institutional Class shares	33	123	221	509

You would pay the following expenses on the same investment if you did not sell your shares:

	1 Year	3 Years	5 Years	10 Years
Class B shares	\$134	\$437	\$763	\$1,439
Class C shares	134	437	763	1,683

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 338.41% of the average value of its portfolio.

### Principal Investment Strategies

The Fund employs a "passive" management, or indexing, approach, designed to match approximately the performance of the Aggregate Bond Index before the deduction of Fund expenses. The Aggregate Bond Index represents a wide spectrum of public, investment-grade, fixed-income securities in the United States, including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed securities. Under normal circumstances, the Fund invests at least 80% of its net assets in a statistically selected sampling of bonds and other fixed-income securities that are included in or correlated with the Aggregate Bond Index, as well as derivatives linked to that index. The Fund may engage in active and frequent trading of portfolio securities.

### Principal Risks

The Fund cannot guarantee that it will achieve its investment objective.

As with any fund, the value of the Fund's investments—and therefore, the value of Fund shares—may fluctuate. These changes may occur because of:

**Interest rate risk** – generally, when interest rates go up, the value of fixed-income securities goes down.

**Credit risk** – a bond issuer may be unable to pay the interest or principal when due.

**Liquidity risk** – is the risk that a security cannot be sold, or cannot be sold quickly, at an acceptable price.

**Prepayment and call risk** – certain bonds will be paid off by the issuer more quickly than anticipated. If this happens, the Fund may be required to invest the proceeds in securities with lower yields.

**Extension risk** – when interest rates rise, certain bond obligations will be paid in full by the issuer more slowly than anticipated. This can cause the market value of the security to fall because the market may view its interest rate as low for a longer-term investment.

**Mortgage-backed securities risk** – through its investments in mortgage-backed securities, the Fund may have some exposure to subprime loans, as well as to the mortgage and credit markets generally. Subprime loans, which are loans made to borrowers with weakened credit histories, have had in many cases higher default rates than loans that meet government underwriting requirements.

**Index fund risk** – the Fund does not use defensive strategies or attempt to reduce its exposure to poor performing securities. Further, correlation between the Fund's performance and that of the index may be negatively affected by the Fund's expenses, changes in the composition of the index, and the timing of purchase and redemption of Fund shares.

**Foreign securities risk** – foreign securities may be more volatile, harder to price and less liquid than U.S. securities.

**Derivatives risk** – derivatives can disproportionately increase losses and reduce opportunities for gains when the security prices, interest rates, currency values, or other such measures underlying derivatives change in unexpected ways. They also present default risks if the counterparty to a derivatives contract fails to fulfill its obligations to the Fund.

**Portfolio turnover risk** – a higher portfolio turnover rate increases transaction costs and, as a result, may adversely impact the Fund's performance and may:

- increase share price volatility and
- result in additional tax consequences for Fund shareholders.

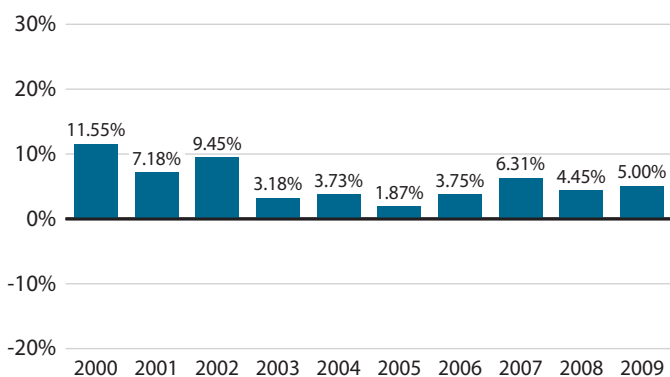
*If the value of the Fund's investments goes down, you may lose money.*

## FUND SUMMARY: NATIONWIDE BOND INDEX FUND (cont.)

### Performance

The bar chart and table below can help you evaluate the Fund's potential risks. The bar chart shows how the Fund's annual total returns have varied from year to year. These returns do not reflect the impact of sales charges. If the applicable sales charges were included, the annual total returns would be lower than those shown. The table compares the Fund's average annual total returns to the returns of a broad-based securities index. Remember, however, that past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available at no cost by visiting [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds) or by calling 800-848-0920.

### Annual Total Returns – Class A Shares (Years Ended December 31,)



**Best Quarter: 5.31% – 4th qtr. of 2000**

**Worst Quarter: –2.63% – 2nd qtr. of 2004**

After-tax returns are shown in the table for Class A shares only and will vary for other classes. After-tax returns are calculated using the historical highest individual federal marginal income tax rates in effect and do not reflect state and local taxes. Your actual after-tax return depends on your personal tax situation and may differ from what is shown here. After-tax returns are not relevant to investors in tax-deferred arrangements, such as individual retirement accounts, 401(k) plans or certain other employer-sponsored retirement plans.

The inception dates for the Class B and Class C shares are October 12, 2001 and March 29, 2006, respectively. Class R2 shares have not commenced operations. Pre-inception historical performance for Class B and Class R2 shares is based on the Fund's Class A shares. Pre-inception historical performance for Class C shares is based on the Fund's Class A shares through October 11, 2001 and Class B shares from October 12, 2001 to March 28, 2006. Performance for these classes has been adjusted to reflect differences in sales charges between classes, but not differing expenses.

### Average Annual Total Returns

For the Periods Ended December 31, 2009:

	1 Year	5 Years	10 Years
Class A shares – Before Taxes	–1.05%	3.05%	4.98%
Class A shares – After Taxes on Distributions	–2.45%	1.54%	3.30%
Class A shares – After Taxes on Distributions and Sales of Shares	–0.70%	1.70%	3.24%
Class B shares – Before Taxes	–0.55%	3.28%	5.08%
Class C shares – Before Taxes	3.38%	3.63%	5.08%
Class R2 shares – Before Taxes	5.00%	4.27%	5.61%
Institutional Class shares – Before Taxes	5.42%	4.65%	6.04%
Barclays Capital U.S. Aggregate Bond Index (The Index does not pay sales charges, fees or expenses.)	5.93%	4.97%	6.33%

### Portfolio Management

#### Investment Adviser

Nationwide Fund Advisors

#### Subadviser

BlackRock Investment Management, LLC ("BlackRock")

#### Portfolio Managers

Portfolio Manager	Title	Length of Service
Curtis Arledge	Managing Director and Portfolio Manager, BlackRock	Since July 2008
Matthew Marra	Managing Director and Portfolio Manager, BlackRock	Since May 1994

### Purchase and Sale of Fund Shares

<p><b>Minimum Initial Investment</b></p> <p>Classes A, B*, C: \$2,000</p> <p>Class R2: no minimum</p> <p>Institutional Class: \$1,000,000</p> <p>Automatic Asset Accumulation Plan (Classes A, B*, C): \$1,000</p>
<p><b>Minimum Additional Investment</b></p> <p>Classes A, B*, C: \$100</p> <p>Class R2, Institutional Class: no minimum</p> <p>Automatic Asset Accumulation Plan (Classes A, B*, C): \$50</p> <p><i>* Class B Shares are closed to new investors.</i></p>

To Place Orders		
<p><b>Mail:</b></p> <p>Nationwide Funds P.O. Box 5354 Cincinnati, OH 45201-5354 Fax: 800-421-2182</p>	<p><b>Overnight:</b></p> <p>Nationwide Funds 303 Broadway, Suite 900 Cincinnati, OH 45202</p>	<p><b>Website:</b></p> <p><a href="http://www.nationwide.com/mutualfunds">www.nationwide.com/mutualfunds</a></p>
<p>Phone: 800-848-0920 (toll free). Representatives are available 8 a.m. – 7 p.m. Eastern time, Monday through Friday.</p>		

## **FUND SUMMARY:** NATIONWIDE BOND INDEX FUND *(cont.)*

In general, you can buy or sell (redeem) shares of the Funds by mail or phone on any business day. You can generally pay for shares by check or wire. When selling shares, you will receive a check, unless you request a wire.

### **Tax Information**

The Fund's distributions are taxable, and will generally be taxed as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## FUND SUMMARY: NATIONWIDE INTERNATIONAL INDEX FUND

### Objective

The Fund seeks to match the performance of the MSCI Europe, Australasia and Far East Index (“MSCI EAFE® Index”) as closely as possible before the deduction of Fund expenses.

### Fees and Expenses

This table describes the fees and expenses you may pay when buying and holding shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Nationwide Funds. *More information about these and other discounts is available from your financial professional and in “Investing with Nationwide Funds” commencing on page 30 of this Prospectus and in “Additional Information on Purchases and Sales” commencing on page 73 of the Statement of Additional Information.*

	Class A Shares	Class B Shares	Class C Shares	Class R2 Shares	Institutional Class Shares
<b>Shareholder Fees</b> (paid directly from your investment)					
Maximum Sales Charge (Load) imposed upon purchases (as a percentage of offering price)	5.75%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of offering or sale price, whichever is less)	None	5.00%	1.00%	None	None
Redemption/Exchange Fee (as a percentage of amount redeemed or exchanged within 7 days of purchase)	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)					
Management Fees	0.27%	0.27%	0.27%	0.27%	0.27%
Distribution and/or Service (12b-1) Fees	0.25%	1.00%	1.00%	0.50%	None
Other Expenses	0.33%	0.18%	0.18%	0.38%	0.18%
<b>Total Annual Fund Operating Expenses</b>	0.85%	1.45%	1.45%	1.15%	0.45%
Amount of Fee Waiver/Expense Reimbursement <sup>1</sup>	0.08%	0.08%	0.08%	0.08%	0.08%
<b>Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement</b>	0.77%	1.37%	1.37%	1.07%	0.37%

<sup>1</sup> Nationwide Mutual Funds (the “Trust”) and Nationwide Fund Advisors (“NFA” or the “Adviser”) have entered into a written contract limiting operating expenses to 0.37% (excluding Rule 12b-1 fees, administrative services fees and certain other expenses) for all share classes until at least February 28, 2011. The expense limitation agreement may be changed or eliminated at any time but only with the consent of the Board of Trustees of the Trust. The Trust is authorized to reimburse the Adviser for management fees previously waived and/or for expenses previously paid by the Adviser, provided, however, that any reimbursements must be paid at a date not more than three years after the fiscal year in which the Adviser waived the fees or reimbursed the expenses and the reimbursements do not cause the Fund to exceed the expense limitation in the agreement.

## FUND SUMMARY: NATIONWIDE INTERNATIONAL INDEX FUND (cont.)

### Example

This Example is intended to help you to compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. It assumes a 5% return each year and no change in expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A shares	\$649	\$823	\$1,012	\$1,557
Class B shares	639	751	985	1,489
Class C shares	239	451	785	1,728
Class R2 shares	109	357	625	1,390
Institutional Class shares	38	136	244	559

You would pay the following expenses on the same investment if you did not sell your shares:

	1 Year	3 Years	5 Years	10 Years
Class B shares	\$139	\$451	\$785	\$1,489
Class C shares	139	451	785	1,728

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 11.22% of the average value of its portfolio.

### Principal Investment Strategies

The Fund employs a “passive” management, or indexing, approach, designed to match approximately the performance of the MSCI EAFE Index before the deduction of Fund expenses. The MSCI EAFE Index includes securities of large-cap companies located in Europe, Australia and Asia (including the Far East). Under normal circumstances, the Fund invests at least 80% of its net assets in a statistically selected sampling of equity securities of companies included in the MSCI EAFE Index and in derivative instruments linked to the MSCI EAFE Index, primarily futures contracts.

### Principal Risks

The Fund cannot guarantee that it will achieve its investment objective.

As with any fund, the value of the Fund’s investments—and therefore, the value of Fund shares—may fluctuate. These changes may occur because of:

**Stock market risk** – the Fund could lose value if the individual stocks in which it invests or overall stock markets in which such stocks trade go down.

**Foreign securities risk** – foreign securities may be more volatile, harder to price and less liquid than U.S. securities. The prices of foreign securities may be further affected by other factors, such as changes in the exchange rates between the dollar and the currencies in which the securities are traded.

**Index fund risk** – the Fund does not use defensive strategies or attempt to reduce its exposure to poor performing securities. Further, correlation between the Fund’s performance and that of the index may be negatively affected by the Fund’s expenses, changes in the composition of the index, and the timing of purchase and redemption of Fund shares.

**Derivatives risk** – derivatives can disproportionately increase losses and reduce opportunities for gains when the security prices, interest rates, currency values, or other such measures underlying derivatives change in unexpected ways. They also present default risks if the counterparty to a derivatives contract fails to fulfill its obligations to the Fund.

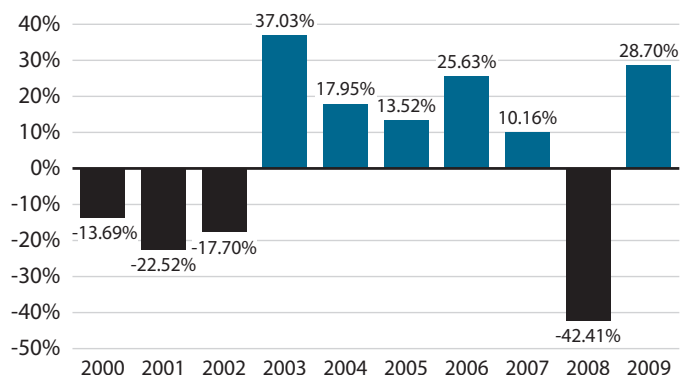
*If the value of the Fund’s investments goes down, you may lose money.*

### Performance

The bar chart and table that follow can help you evaluate the Fund’s potential risks. The bar chart shows how the Fund’s annual total returns have varied from year to year. These returns do not reflect the impact of sales charges. If the applicable sales charges were included, the annual total returns would be lower than those shown. The table compares the Fund’s average annual total returns to the returns of a broad-based securities index. Remember, however, that past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available at no cost by visiting [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds) or by calling 800-848-0920.

## FUND SUMMARY: NATIONWIDE INTERNATIONAL INDEX FUND (cont.)

### Annual Total Returns – Class A Shares (Years Ended December 31,)



**Best Quarter: 25.16% – 2nd qtr. of 2009**

**Worst Quarter: –21.10% – 3rd qtr. of 2002**

After-tax returns are shown in the table for Class A shares only and will vary for other classes. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Your actual after-tax return depends on your personal tax situation and may differ from what is shown here. After-tax returns are not relevant to investors in tax-deferred arrangements, such as individual retirement accounts, 401(k) plans or certain other employer-sponsored retirement plans.

The inception dates for the Class C and Class R2 shares are February 14, 2005 and March 9, 2007, respectively. Pre-inception historical performance for Class C shares is based on the previous performance of Class B shares. Pre-inception historical performance for Class R2 shares is based on the previous performance of Class A shares. Performance for these classes has been adjusted to reflect differences in sales charges between classes, but not differing expenses.

### Average Annual Total Returns For the Periods Ended December 31, 2009:

	1 Year	5 Years	10 Years
Class A shares – Before Taxes	21.39%	1.87%	–0.14%
Class A shares – After Taxes on Distributions	20.70%	0.77%	–0.89%
Class A shares – After Taxes on Distributions and Sales of Shares	14.30%	1.42%	–0.33%
Class B shares – Before Taxes	22.69%	2.11%	–0.23%
Class C shares – Before Taxes	26.71%	2.19%	–0.34%
Class R2 shares – Before Taxes	28.36%	3.03%	0.42%
Institutional Class shares – Before Taxes	29.14%	3.48%	0.84%
MSCI EAFE® Index (The Index does not pay sales charges, fees or expenses.)	31.78%	3.54%	1.17%

### Portfolio Management

#### Investment Adviser

Nationwide Fund Advisors

#### Subadviser

BlackRock Investment Management, LLC (“BlackRock”)

#### Portfolio Manager

Portfolio Manager	Title	Length of Service
Debra L. Jelilian	Managing Director, BlackRock	Since August 1999

### Purchase and Sale of Fund Shares

<p><b>Minimum Initial Investment</b></p> <p>Classes A, B*, C: \$2,000</p> <p>Class R2: no minimum</p> <p>Institutional Class: \$1,000,000</p> <p>Automatic Asset Accumulation Plan (Classes A, B*, C): \$1,000</p>
<p><b>Minimum Additional Investment</b></p> <p>Classes A, B*, C: \$100</p> <p>Class R2, Institutional Class: no minimum</p> <p>Automatic Asset Accumulation Plan (Classes A, B*, C): \$50</p> <p>* Class B Shares are closed to new investors.</p>

To Place Orders		
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<p>Phone: 800-848-0920 (toll free). Representatives are available 8 a.m. – 7 p.m. Eastern time, Monday through Friday.</p>		

In general, you can buy or sell (redeem) shares of the Funds by mail or phone on any business day. You can generally pay for shares by check or wire.

### Tax Information

The Fund’s distributions are taxable, and will generally be taxed as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## FUND SUMMARY: NATIONWIDE MID CAP MARKET INDEX FUND

### Objective

The Fund seeks to match the performance of the Standard & Poor's MidCap 400® Index ("S&P MidCap 400 Index") as closely as possible before the deduction of Fund expenses.

### Fees and Expenses

This table describes the fees and expenses you may pay when buying and holding shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Nationwide Funds. *More information about these and other discounts is available from your financial professional and in "Investing with Nationwide Funds" commencing on page 30 of this Prospectus and in "Additional Information on Purchases and Sales" commencing on page 73 of the Statement of Additional Information.*

	Class A Shares	Class B Shares	Class C Shares	Class R2 Shares	Institutional Class Shares
<b>Shareholder Fees</b> (paid directly from your investment)					
Maximum Sales Charge (Load) imposed upon purchases (as a percentage of offering price)	5.75%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of offering or sale price, whichever is less)	None	5.00%	1.00%	None	None
Redemption/Exchange Fee (as a percentage of amount redeemed or exchanged within 7 days of purchase)	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)					
Management Fees	0.22%	0.22%	0.22%	0.22%	0.22%
Distribution and/or Service (12b-1) Fees	0.25%	1.00%	1.00%	0.50%	None
Other Expenses	0.35%	0.20%	0.20%	0.40%	0.20%
<b>Total Annual Fund Operating Expenses</b>	0.82%	1.42%	1.42%	1.12%	0.42%
Amount of Fee Waiver/Expense Reimbursement <sup>1</sup>	0.10%	0.10%	0.10%	0.10%	0.10%
<b>Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement</b>	0.72%	1.32%	1.32%	1.02%	0.32%

<sup>1</sup> Nationwide Mutual Funds (the "Trust") and Nationwide Fund Advisors (the "Adviser") have entered into a written contract limiting operating expenses to 0.32% (excluding Rule 12b-1 fees, administrative services fees and certain other expenses) for all share classes until at least February 28, 2011. The expense limitation agreement may be changed or eliminated at any time but only with the consent of the Board of Trustees of the Trust. The Trust is authorized to reimburse the Adviser for management fees previously waived and/or for expenses previously paid by the Adviser, provided, however, that any reimbursements must be paid at a date not more than three years after the fiscal year in which the Adviser waived the fees or reimbursed the expenses and the reimbursements do not cause the Fund to exceed the expense limitation in the agreement.

## FUND SUMMARY: NATIONWIDE MID CAP MARKET INDEX FUND (cont.)

### Example

This Example is intended to help you to compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. It assumes a 5% return each year and no change in expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A shares	\$644	\$812	\$995	\$1,521
Class B shares	634	740	967	1,453
Class C shares	234	440	767	1,693
Class R2 shares	104	346	607	1,354
Institutional Class shares	33	125	225	520

You would pay the following expenses on the same investment if you did not sell your shares:

	1 Year	3 Years	5 Years	10 Years
Class B shares	\$134	\$440	\$767	\$1,453
Class C shares	134	440	767	1,693

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 19.20% of the average value of its portfolio.

### Principal Investment Strategies

The Fund employs a “passive” management, or indexing, approach, designed to match approximately the performance of the S&P MidCap 400 Index before the deduction of Fund expenses. The S&P MidCap 400 Index includes approximately 400 stocks of mid-cap U.S. companies in a wide range of businesses. Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of companies included in, or other financial instruments that are correlated with, the S&P MidCap 400 Index, such as derivatives linked to that index.

### Principal Risks

The Fund cannot guarantee that it will achieve its investment objective.

As with any fund, the value of the Fund’s investments—and therefore, the value of Fund shares—may fluctuate. These changes may occur because of:

**Stock market risk** – the Fund could lose value if the individual stocks in which it invests or overall stock markets in which such stocks trade go down.

**Index fund risk** – the Fund does not use defensive strategies or attempt to reduce its exposure to poor performing securities. Further, correlation between the Fund’s performance and that of the index may be negatively affected by the Fund’s expenses, changes in the composition of the index, and the timing of purchase and redemption of Fund shares.

**Mid-cap risk** – medium-sized companies are usually less stable in price and less liquid than are larger, more established companies. Therefore, they generally involve greater risk.

**Derivatives risk** – derivatives can disproportionately increase losses and reduce opportunities for gains when the security prices, interest rates, currency values, or other such measures underlying derivatives change in unexpected ways. They also present default risks if the counterparty to a derivatives contract fails to fulfill its obligations to the Fund.

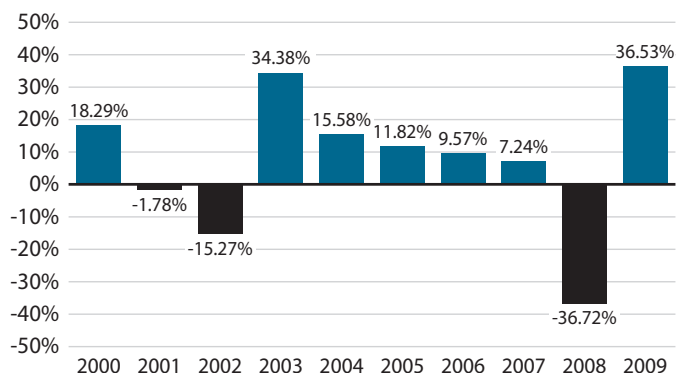
*If the value of the Fund’s investments goes down, you may lose money.*

### Performance

The bar chart and table on the next page can help you evaluate the Fund’s potential risks. The bar chart shows how the Fund’s annual total returns have varied from year to year. These returns do not reflect the impact of sales charges. If the applicable sales charges were included, the annual total returns would be lower than those shown. The table compares the Fund’s average annual total returns to the returns of a broad-based securities index. Remember, however, that past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available at no cost by visiting [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds) or by calling 800-848-0920.

## FUND SUMMARY: NATIONWIDE MID CAP MARKET INDEX FUND (cont.)

### Annual Total Returns – Class A Shares (Years Ended December 31,)



**Best Quarter: 19.77% – 3rd qtr. of 2009**

**Worst Quarter: –25.76% – 4th qtr. of 2008**

After-tax returns are shown in the table for Class A shares only and will vary for other classes. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Your actual after-tax return depends on your personal tax situation and may differ from what is shown here. After-tax returns are not relevant to investors in tax-deferred arrangements, such as individual retirement accounts, 401(k) plans or certain other employer-sponsored retirement plans.

The inception dates for the Class B, Class R2 and Class C shares are May 25, 2001, March 9, 2007, and October 22, 2003, respectively. Pre-inception historical performance for Class B shares and Class R2 shares is based on the previous performance of Class A shares. Pre-inception historical performance for Class C shares is based on the previous performance of Class A shares for the period through May 24, 2001, and Class B shares for the period from May 25, 2001 through October 21, 2003. Performance for these classes has been adjusted to reflect differences in sales charges between classes, but not differing expenses.

### Average Annual Total Returns For the Periods Ended December 31, 2009:

	1 Year	5 Years	10 Years
Class A shares – Before Taxes	28.65%	1.36%	5.05%
Class A shares – After Taxes on Distributions	28.47%	0.36%	4.21%
Class A shares – After Taxes on Distributions and Sale of Shares	18.79%	1.00%	4.13%
Class B shares – Before Taxes	30.68%	1.62%	5.09%
Class C shares – Before Taxes	34.63%	1.94%	5.08%
Class R2 shares – Before Taxes	36.42%	2.55%	5.66%
Institutional Class shares – Before Taxes	36.97%	2.96%	6.11%
S&P MidCap 400 Index (The Index does not pay sales charges, fees or expenses.)	37.38%	3.27%	6.36%

### Portfolio Management

#### Investment Adviser

Nationwide Fund Advisors

#### Subadviser

BlackRock Investment Management, LLC (“BlackRock”)

#### Portfolio Manager

Portfolio Manager	Title	Length of Service
Debra L. Jelilian	Managing Director, BlackRock	Since August 1999

### Purchase and Sale of Fund Shares

#### Minimum Initial Investment

Classes A, B\*, C: \$2,000

Class R2: no minimum

Institutional Class: \$1,000,000

Automatic Asset Accumulation Plan (Classes A, B\*, C): \$1,000

#### Minimum Additional Investment

Classes A, B\*, C: \$100

Class R2, Institutional Class: no minimum

Automatic Asset Accumulation Plan (Classes A, B\*, C): \$50

\* Class B Shares are closed to new investors.

### To Place Orders

#### Mail:

Nationwide Funds  
P.O. Box 5354  
Cincinnati, OH 45201-5354  
Fax: 800-421-2182

#### Overnight:

Nationwide Funds  
303 Broadway, Suite 900  
Cincinnati, OH 45202

#### Website:

[www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds)

Phone: 800-848-0920 (toll free). Representatives are available 8 a.m. – 7 p.m. Eastern time, Monday through Friday.

In general, you can buy or sell (redeem) shares of the Funds by mail or phone on any business day. You can generally pay for shares by check or wire.

### Tax Information

The Fund’s distributions are taxable, and will generally be taxed as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

## FUND SUMMARY: NATIONWIDE S&P 500 INDEX FUND

### Objective

The Fund seeks to provide investment results that correspond to the price and yield performance of publicly traded common stocks, as represented by the Standard & Poor's 500® Index ("S&P 500 Index").

### Fees and Expenses

This table describes the fees and expenses you may pay when buying and holding shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Nationwide Funds. *More information about these and other discounts is available from your financial professional and in "Investing with Nationwide Funds" commencing on page 30 of this Prospectus and in "Additional Information on Purchases and Sales" commencing on page 73 of the Statement of Additional Information.*

	Class A Shares	Class B Shares	Class C Shares	Class R2 Shares	Service Class Shares	Institutional Service Class Shares	Institutional Class Shares
<b>Shareholder Fees</b> (paid directly from your investment)							
Maximum Sales Charge (Load) imposed upon purchases (as a percentage of offering price)	5.75%	None	None	None	None	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of offering or sale price, whichever is less)	None	5.00%	1.00%	None	None	None	None
Redemption/Exchange Fee (as a percentage of amount redeemed or exchanged within 7 days of purchase)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)							
Management Fees	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%
Distribution and/or Service (12b-1) Fees	0.25%	1.00%	1.00%	0.50%	0.15%	None	None
Other Expenses	0.31%	0.18%	0.18%	0.43%	0.43%	0.43%	0.18%
<b>Total Annual Fund Operating Expenses</b>	0.69%	1.31%	1.31%	1.06%	0.71%	0.56%	0.31%
Amount of Fee Waiver/Expense Reimbursement <sup>1</sup>	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
<b>Total Annual Fund Operating Expenses After Fee Waiver/Expense Reimbursement</b>	0.61%	1.23%	1.23%	0.98%	0.63%	0.48%	0.23%

<sup>1</sup> Nationwide Mutual Funds (the "Trust") and Nationwide Fund Advisors (the "Adviser") have entered into a written contract limiting operating expenses to 0.23% (excluding Rule 12b-1 fees, administrative services fees and certain other expenses) for all share classes until at least February 28, 2011. The expense limitation agreement may be changed or eliminated at any time but only with the consent of the Board of Trustees of the Trust. The Trust is authorized to reimburse the Adviser for management fees previously waived and/or for expenses previously paid by the Adviser, provided, however, that any reimbursements must be paid at a date not more than three years after the fiscal year in which the Adviser waived the fees or reimbursed the expenses and the reimbursements do not cause the Fund to exceed the expense limitation in the agreement.

## FUND SUMMARY: NATIONWIDE S&P 500 INDEX FUND (cont.)

### Example

This Example is intended to help you to compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. It assumes a 5% return each year and no change in expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A shares	\$634	\$775	\$930	\$1,377
Class B shares	625	707	911	1,321
Class C shares	225	407	711	1,572
Class R2 shares	100	329	577	1,287
Service Class shares	64	219	387	875
Institutional Service Class shares	49	171	305	694
Institutional Class shares	24	92	166	385

You would pay the following expenses on the same investment if you did not sell your shares:

	1 Year	3 Years	5 Years	10 Years
Class B shares	\$125	\$407	\$711	\$1,321
Class C shares	125	407	711	1,572

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 4.24% of the average value of its portfolio.

### Principal Investment Strategies

The Fund employs a “passive” management, or indexing, approach, designed to match approximately the performance of the S&P 500 Index before the deduction of Fund expenses. The S&P 500 Index includes approximately 500 stocks of large U.S. companies in a wide range of businesses. Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of companies included in, or other financial instruments that are correlated with, the S&P 500 Index, such as derivatives linked to that index.

### Principal Risks

The Fund cannot guarantee that it will achieve its investment objective.

As with any fund, the value of the Fund’s investments—and therefore, the value of Fund shares—may fluctuate. These changes may occur because of:

**Stock market risk** – the Fund could lose value if the individual stocks in which it invests or overall stock markets in which such stocks trade go down.

**Index fund risk** – the Fund does not use defensive strategies or attempt to reduce its exposure to poor performing securities. Further, correlation between the Fund’s performance and that of the index may be negatively affected by the Fund’s expenses, changes in the composition of the index, and the timing of purchase and redemption of Fund shares.

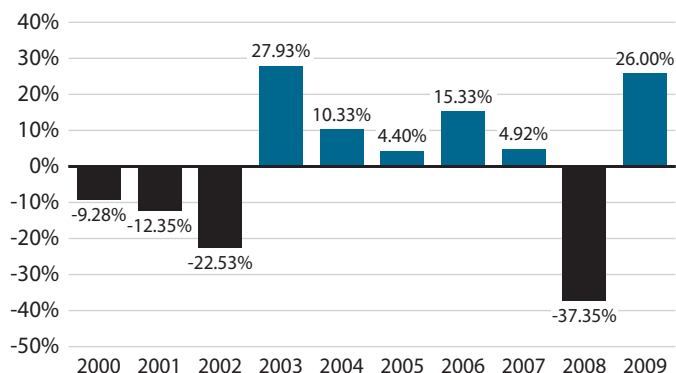
**Derivatives risk** – derivatives can disproportionately increase losses and reduce opportunities for gains when the security prices, interest rates, currency values, or other such measures underlying derivatives change in unexpected ways. They also present default risks if the counterparty to a derivatives contract fails to fulfill its obligations to the Fund.

### Performance

The bar chart and table on the next page can help you evaluate the Fund’s potential risks. The bar chart shows how the Fund’s annual total returns have varied from year to year. These returns do not reflect the impact of sales charges. If the applicable sales charges were included, the annual total returns would be lower than those shown. The table compares the Fund’s average annual total returns to the returns of a broad-based securities index. Remember, however, that past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available at no cost by visiting [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds) or by calling 800-848-0920.

## FUND SUMMARY: NATIONWIDE S&P 500 INDEX FUND (cont.)

### Annual Total Returns – Class A Shares (Years Ended December 31,)



**Best Quarter: 15.84% – 2nd qtr. of 2009**

**Worst Quarter: –22.06% – 4th qtr. of 2008**

After-tax returns are shown in the table for Class A shares only and will vary for other classes. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Your actual after-tax return depends on your personal tax situation and may differ from what is shown here. After-tax returns are not relevant to investors in tax-deferred arrangements, such as individual retirement accounts, 401(k) plans or certain other employer-sponsored retirement plans.

The inception dates for the Class C and Class R2 shares are October 22, 2003 and January 30, 2007, respectively. Pre-inception historical performance for Class C shares is based on the Fund's Class B shares. Pre-inception historical performance for Class R2 shares is based on the Fund's Local Fund shares, which are no longer offered by the Fund. Performance for these classes has been adjusted to reflect differences in sales charges between classes, but not differing expenses.

### Average Annual Total Returns For the Periods Ended December 31, 2009:

	1 Year	5 Years	10 Years
Class A shares – Before Taxes	18.73%	–1.22%	–2.00%
Class A shares – After Taxes on Distributions	18.38%	–1.56%	–2.33%
Class A shares – After Taxes on Distributions and Sale of Shares	12.54%	–1.03%	–1.74%
Class B shares – Before Taxes	20.07%	–1.16%	–2.10%
Class C shares – Before Taxes	24.11%	–0.77%	–2.10%
Class R2 shares – Before Taxes	25.39%	–0.23%	–1.50%
Service Class shares – Before Taxes	25.96%	–0.19%	–1.56%
Institutional Service Class shares – Before Taxes	26.07%	–0.03%	–1.40%
Institutional Class shares – Before Taxes	26.36%	0.21%	–1.11%
S&P 500 Index (The Index does not pay sales charges, fees or expenses.)	26.46%	0.42%	–0.95%

### Portfolio Management

#### Investment Adviser

Nationwide Fund Advisors

#### Subadviser

BlackRock Investment Management, LLC (“BlackRock”)

#### Portfolio Manager

Portfolio Manager	Title	Length of Service
Debra L. Jelilian	Managing Director, BlackRock	Since August 1999

### Purchase and Sale of Fund Shares

<p><b>Minimum Initial Investment</b></p> <p>Classes A, B*, C: \$2,000            Class R2: no minimum            Institutional Service Class: \$50,000            Institutional Class: \$1,000,000            Service Class: \$25,000            Automatic Asset Accumulation Plan (Classes A, B*, C): \$1,000</p>
<p><b>Minimum Additional Investment</b></p> <p>Classes A, B*, C: \$100            Class R2, Institutional Service Class, Institutional Class, Service Class: no minimum            Automatic Asset Accumulation Plan (Classes A, B*, C): \$50  <i>* Class B Shares are closed to new investors.</i></p>

To Place Orders		
<p><b>Mail:</b></p> <p>Nationwide Funds            P.O. Box 5354            Cincinnati, OH 45201-5354            Fax: 800-421-2182</p>	<p><b>Overnight:</b></p> <p>Nationwide Funds            303 Broadway, Suite 900            Cincinnati, OH 45202</p>	<p><b>Website:</b></p> <p>www.nationwide.com/            mutualfunds</p>
<p>Phone: 800-848-0920 (toll free). Representatives are available 8 a.m. – 7 p.m. Eastern time, Monday through Friday.</p>		

In general, you can buy or sell (redeem) shares of the Funds by mail or phone on any business day. You can generally pay for shares by check or wire.

### Tax Information

The Fund's distributions are taxable, and will generally be taxed as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

## **FUND SUMMARY:** NATIONWIDE S&P 500 INDEX FUND *(cont.)*

### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## FUND SUMMARY: NATIONWIDE SMALL CAP INDEX FUND

### Objective

The Fund seeks to match the performance of the Russell 2000® Index (“Russell 2000 Index”) as closely as possible before the deduction of Fund expenses.

### Fees and Expenses

This table describes the fees and expenses you may pay when buying and holding shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Nationwide Funds. *More information about these and other discounts is available from your financial professional and in “Investing with Nationwide Funds” commencing on page 30 of this Prospectus and in “Additional Information on Purchases and Sales” commencing on page 73 of the Statement of Additional Information.*

	Class A Shares	Class B Shares	Class C Shares	Class R2 Shares	Institutional Class Shares
<b>Shareholder Fees</b> (paid directly from your investment)					
Maximum Sales Charge (Load) imposed upon purchases (as a percentage of offering price)	5.75%	None	None	None	None
Maximum Deferred Sales Charge (Load) (as a percentage of offering or sale price, whichever is less)	None	5.00%	1.00%	None	None
Redemption/Exchange Fee (as a percentage of amount redeemed or exchanged within 7 days of purchase)	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment )					
Management Fees	0.20%	0.20%	0.20%	0.20%	0.20%
Distribution and/or Service (12b-1) Fees	0.25%	1.00%	1.00%	0.50%	None
Other Expenses	0.36%	0.21%	0.21%	0.41%	0.21%
<b>Total Annual Fund Operating Expenses</b>	0.81%	1.41%	1.41%	1.11%	0.41%
Amount of Fee Waiver/Expense Reimbursement <sup>1</sup>	0.11%	0.11%	0.11%	0.11%	0.11%
<b>Total Annual Fund Operating Expenses</b> After Fee Waiver/Expense Reimbursement	0.70%	1.30%	1.30%	1.00%	0.30%

<sup>1</sup> Nationwide Mutual Funds (the “Trust”) and Nationwide Fund Advisors (“NFA” or the “Adviser”) have entered into a written contract limiting operating expenses to 0.30% (excluding Rule 12b-1 fees, administrative services fees and certain other expenses) for all share classes until at least February 28, 2011. The expense limitation agreement may be changed or eliminated at any time but only with the consent of the Board of Trustees of the Trust. The Trust is authorized to reimburse the Adviser for management fees previously waived and/or for expenses previously paid by the Adviser, provided, however, that any reimbursements must be paid at a date not more than three years after the fiscal year in which the Adviser waived the fees or reimbursed the expenses and the reimbursements do not cause the Fund to exceed the expense limitation in the agreement.

## FUND SUMMARY: NATIONWIDE SMALL CAP INDEX FUND (cont.)

### Example

This Example is intended to help you to compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your shares at the end of those periods. It assumes a 5% return each year and no change in expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A shares	\$642	\$808	\$989	\$1,509
Class B shares	632	735	961	1,441
Class C shares	232	435	761	1,681
Class R2 shares	102	342	601	1,342
Institutional Class shares	31	121	219	507

You would pay the following expenses on the same investment if you did not sell your shares:

	1 Year	3 Years	5 Years	10 Years
Class B shares	\$132	\$435	\$761	\$1,441
Class C shares	132	435	761	1,681

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 22.56% of the average value of its portfolio.

### Principal Investment Strategies

The Fund employs a "passive" management, or indexing, approach, designed to match approximately the performance of the Russell 2000 Index before the deduction of Fund expenses. The Russell 2000 Index is composed of approximately 2,000 common stocks of small-cap U.S. companies in a wide range of businesses. Under normal circumstances, the Fund invests at least 80% of its net assets in a statistically selected sampling of equity securities of companies included in the Russell 2000 Index and in derivative instruments linked to that index.

### Principal Risks

The Fund cannot guarantee that it will achieve its investment objective.

As with any fund, the value of the Fund's investments—and therefore, the value of Fund shares—may fluctuate. These changes may occur because of:

**Stock market risk** – the Fund could lose value if the individual stocks in which it invests or overall stock markets in which such stocks trade go down.

**Small-cap risk** – smaller companies are usually less stable in price and less liquid than are larger, more established companies. Therefore, they generally involve greater risk.

**Index fund risk** – the Fund does not use defensive strategies or attempt to reduce its exposure to poor performing securities. Further, correlation between the Fund's performance and that of the index may be negatively affected by the Fund's expenses, changes in the composition of the index, and the timing of purchase and redemption of Fund shares.

**Derivatives risk** – derivatives can disproportionately increase losses and reduce opportunities for gains when the security prices, interest rates, currency values, or other such measures underlying derivatives change in unexpected ways. They also present default risks if the counterparty to a derivatives contract fails to fulfill its obligations to the Fund.

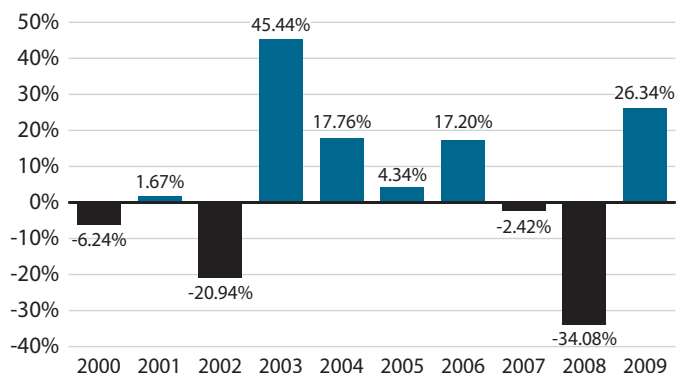
*If the value of the Fund's investments goes down, you may lose money.*

### Performance

The bar chart and table on the next page can help you evaluate the Fund's potential risks. The bar chart shows how the Fund's annual total returns have varied from year to year. These returns do not reflect the impact of sales charges. If the applicable sales charges were included, the annual total returns would be lower than those shown. The table compares the Fund's average annual total returns to the returns of a broad-based securities index. Remember, however, that past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available at no cost by visiting [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds) or by calling 800-848-0920.

## FUND SUMMARY: NATIONWIDE SMALL CAP INDEX FUND (cont.)

### Annual Total Returns – Class A Shares (Years Ended December 31,)



**Best Quarter: 22.86% – 2nd qtr. of 2003**

**Worst Quarter: –26.17% – 4th qtr. of 2008**

After-tax returns are shown in the table for Class A shares only and will vary for other classes. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Your actual after-tax return depends on your personal tax situation and may differ from what is shown here. After-tax returns are not relevant to investors in tax-deferred arrangements, such as individual retirement accounts, 401(k) plans or certain other employer-sponsored retirement plans.

The inception dates for the Class B, Class R2 and Class C shares are November 29, 2001, March 9, 2007, and October 22, 2003, respectively. Pre-inception historical performance for Class B shares and Class R2 shares is based on the Fund's Class A shares. Pre-inception historical performance for Class C shares is based on the Fund's Class A shares through November 28, 2001 and Class B shares from November 29, 2001 through October 21, 2003. Performance for these classes has been adjusted to reflect differences in sales charges between classes, but not differing expenses.

### Average Annual Total Returns For the Periods Ended December 31, 2009:

	1 Year	5 Years	10 Years
Class A shares – Before Taxes	19.08%	–1.30%	1.92%
Class A shares – After Taxes on Distributions	18.95%	–2.18%	1.22%
Class A shares – After Taxes on Distributions and Sale of Shares	12.54%	–1.23%	1.46%
Class B shares – Before Taxes	20.84%	–1.05%	2.00%
Class C shares – Before Taxes	24.69%	–0.71%	2.02%
Class R2 shares – Before Taxes	26.30%	–0.16%	2.50%
Institutional Class Shares – Before Taxes	26.93%	0.27%	2.96%
Russell 2000 Index (The Index does not pay sales charges, fees or expenses.)	27.17%	0.51%	3.51%

### Portfolio Management

#### Investment Adviser

Nationwide Fund Advisors

#### Subadviser

BlackRock Investment Management, LLC (“BlackRock”)

#### Portfolio Manager

Portfolio Manager	Title	Length of Service
Debra L. Jelilian	Managing Director, BlackRock	Since August 1999

### Purchase and Sale of Fund Shares

#### Minimum Initial Investment

Classes A, B\*, C: \$2,000

Class R2: no minimum

Institutional Class: \$1,000,000

Automatic Asset Accumulation Plan (Classes A, B\*, C): \$1,000

#### Minimum Additional Investment

Classes A, B\*, C: \$100

Class R2, Institutional Class: no minimum

Automatic Asset Accumulation Plan (Classes A, B\*, C): \$50

\* Class B Shares are closed to new investors.

### To Place Orders

Mail:	Overnight:	Website:
Nationwide Funds P.O. Box 5354 Cincinnati, OH 45201-5354 Fax: 800-421-2182	Nationwide Funds 303 Broadway, Suite 900 Cincinnati, OH 45202	www.nationwide.com/ mutualfunds

Phone: 800-848-0920 (toll free). Representatives are available 8 a.m. – 7 p.m. Eastern time, Monday through Friday.

In general, you can buy or sell (redeem) shares of the Funds by mail or phone on any business day. You can generally pay for shares by check or wire.

### Tax Information

The Fund's distributions are taxable, and will generally be taxed as ordinary income, capital gains, or some combination of both, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## HOW THE FUNDS INVEST: NATIONWIDE BOND INDEX FUND

### Objective

The Nationwide Bond Index Fund seeks to match the performance of the Barclays Capital U.S. Aggregate Bond Index (“Aggregate Bond Index”) as closely as possible before the deduction of Fund expenses. This objective can be changed by the Trust’s Board of Trustees (“Board of Trustees”) without shareholder approval upon 60-days written notice to shareholders.

### Principal Investment Strategies

The Fund employs a “passive” management approach, investing in a portfolio of assets whose performance is expected to match approximately the performance of the Aggregate Bond Index before the deduction of Fund expenses. This means that the Fund will buy or sell securities only when the Fund’s subadviser believes it necessary in order to match the performance of the Aggregate Bond Index, and not based on its economic, financial or market analysis. Under normal circumstances, the Fund invests at least 80% of its net assets in a statistically selected sampling of bonds and other fixed-income securities that are included in or correlated with the Aggregate Bond Index, as well as **derivatives** linked to that index. The Aggregate Bond Index is composed primarily of U.S. dollar-denominated **investment grade** bonds of different types, including:

- corporate bonds issued by U.S. and foreign companies;
- **U.S. government securities**;
- **mortgage-backed securities**;
- securities of foreign governments and their agencies and
- securities of supranational entities, such as the World Bank.

The Fund does not necessarily invest in all of the bonds in the index, or in the same weightings. The Fund may invest in bonds not included in the Aggregate Bond Index which are selected to reflect characteristics such as **maturity**, **duration**, or credit quality similar to the Aggregate Bond Index. The Fund also may trade securities in segments of the portfolio to the extent necessary to closely mirror the duration of corresponding segments of the Index. As a result, the Fund may have different levels of interest rate, credit or prepayment risks from the levels of risks in the index. In addition, the Fund may have a higher portfolio turnover rate than that of other “index” funds.

The Fund usually invests a substantial portion of its assets in mortgage-backed securities, which may be either pass-through securities or collateralized mortgage obligations. The Fund may purchase securities on a when-issued basis, and it may also purchase or sell securities for delayed delivery. When entering into such a transaction, the Fund buys or sells securities with payment and delivery scheduled to take place in the future, enabling the Fund to lock in a favorable yield and price.

All fixed-income securities purchased are determined to be investment grade by a rating agency at the time of

investment. Fund management monitors any subsequent rating downgrade of a security to consider what action, if any, should be taken. Downgraded securities are not required to be sold.

### Principal Risks

The Fund is subject to the same risks that apply to all mutual funds that invest in fixed-income securities. For instance, the value of the Fund’s investments—and therefore, the value of Fund shares—may fluctuate. Further, the Fund’s portfolio managers may select securities that underperform the bond markets, the Fund’s benchmark or other mutual funds with similar investment objectives and strategies.

In addition, the Fund is subject to **INTEREST RATE RISK, CREDIT RISK, LIQUIDITY RISK, PREPAYMENT AND CALL RISK, EXTENSION RISK, MORTGAGE-BACKED SECURITIES RISK, INDEX FUND RISK, FOREIGN SECURITIES RISK, DERIVATIVES RISK, and PORTFOLIO TURNOVER RISK**, each of which is described in the section “Risks of Investing in the Funds” beginning on page 25.

The Fund cannot guarantee that it will achieve its investment objective. If the value of the Fund’s investments goes down, you may lose money.

### Key Terms:

**Derivative** – a contract or investment the value of which is based on the performance of an underlying financial asset, index or economic measure.

**Investment grade** – the four highest rating categories of nationally recognized statistical rating organizations, including Moody’s, Standard & Poor’s and Fitch.

**U.S. government securities** – are debt securities issued and/or guaranteed as to principal and interest by either the U.S. government, or by U.S. government agencies, U.S. government-sponsored enterprises and U.S. government instrumentalities. Securities issued or guaranteed directly by the U.S. government are supported by the full faith and credit of the United States. Securities issued or guaranteed by agencies or instrumentalities of the U.S. government, and enterprises sponsored by the U.S. government, are not direct obligations of the United States. Therefore, such securities may not be supported by the full faith and credit of the United States.

**Mortgage-backed securities** – fixed-income securities that give the holder the right to receive a portion of principal and/or interest payments made on a pool of residential or commercial mortgage loans, which in some cases are guaranteed by government agencies.

**Maturity** is the date on which the principal amount of a security is required to be paid to investors.

## HOW THE FUNDS INVEST: NATIONWIDE BOND INDEX FUND (cont.)

**Duration** is a measure of how much the price of a bond would change compared to a change in market interest rates, based on the remaining time until a bond's maturity together with other factors. A bond's value drops when interest rates rise, and vice versa. Bonds with longer durations have higher risk and volatility.

### **Barclays Capital U.S. Aggregate Bond Index**

The Barclays Capital U.S. Aggregate Bond Index is a market-weighted index comprising approximately 6,500 dollar-denominated investment grade bonds with maturities greater than one year. Barclays Capital selects bonds for the Aggregate Bond Index based on its criteria for the Index and does not evaluate whether any particular bond is an attractive investment. Barclays Capital may periodically update the Aggregate Bond Index, at which time there may be substantial changes in the composition of the Index. These composition changes may result in significant turnover in the Fund's portfolio as the Fund attempts to mirror the changes. Individuals cannot invest directly in an index.

## HOW THE FUNDS INVEST: NATIONWIDE INTERNATIONAL INDEX FUND

### Objective

The Nationwide International Index Fund seeks to match the performance of the MSCI Europe, Australasia and Far East Index ("MSCI EAFE® Index") as closely as possible before the deduction of Fund expenses. This objective can be changed by the Board of Trustees without shareholder approval upon 60-days written notice to shareholders.

### Principal Investment Strategies

The Fund employs a "passive" management approach, investing in a portfolio of assets whose performance is expected to match approximately the performance of the MSCI EAFE Index before the deduction of Fund expenses. This means that the Fund will buy or sell securities only when the Fund's subadviser believes it necessary in order to match the performance of the MSCI EAFE Index, and not based on its economic, financial or market analysis. Under normal circumstances, the Fund invests at least 80% of its net assets in a statistically selected sampling of **equity securities** of companies included in the MSCI EAFE Index and in **derivative** instruments linked to the MSCI EAFE Index, primarily futures contracts.

The Fund will, under normal circumstances, invest in all of the countries represented in the MSCI EAFE Index. The Fund may not, however, invest in all of the companies within a country represented in the MSCI EAFE Index, or in the same weightings as in the MSCI EAFE Index. The Fund's subadviser chooses investments so that the **market capitalizations**, industry weightings and other fundamental characteristics of the securities chosen are similar to the MSCI EAFE Index as a whole.

The MSCI EAFE Index is composed of equity securities of larger capitalization companies from various industries whose primary trading markets are in developed markets outside the United States. Companies included in the MSCI EAFE Index are selected from among the larger capitalization companies in these markets. The countries currently included in the MSCI EAFE Index are Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, The Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The country weightings are based on each country's relative market capitalization, and not its gross domestic product, which means that the Index contains more companies from countries with larger capital markets (such as Japan and the United Kingdom), and these countries have the greatest effect on the Index's performance. Individuals cannot invest directly in an index.

MSCI Barra chooses the stocks in the MSCI EAFE Index based on factors including, among others, market capitalization, trading activity and the overall mix of industries represented in the Index. The MSCI EAFE Index is generally considered to broadly represent the performance of stocks traded in

developed international markets. Inclusion of a stock in the MSCI EAFE Index does not mean that MSCI Barra believes the stock to be an attractive investment. MSCI Barra may periodically update the MSCI EAFE Index, at which time there may be substantial changes in the composition of the Index.

### Principal Risks

The Fund is subject to the same risks that apply to all mutual funds that invest in equity securities. For instance, the value of the Fund's investments—and therefore, the value of Fund shares—may fluctuate. Further, the Fund's portfolio managers may select securities that underperform the stock market, the Fund's benchmark or other mutual funds with similar investment objectives and strategies.

In addition, the Fund is subject to **STOCK MARKET RISK**, **FOREIGN SECURITIES RISK**, **DERIVATIVES RISK** and **INDEX FUND RISK**, each of which is described in the section "Risks of Investing in the Funds" beginning on page 25.

The Fund cannot guarantee that it will achieve its investment objective. If the value of the Fund's investments goes down, you may lose money.

#### Key Terms:

**Equity securities** – represent an ownership interest in the issuer. Common stocks are the most common type of equity securities.

**Derivative** – a contract or investment the value of which is based on the performance of an underlying financial asset, index or economic measure.

**Market capitalization** is a common way of measuring the size of a company based on the price of its common stock times the number of outstanding shares.

## HOW THE FUNDS INVEST: NATIONWIDE MID CAP MARKET INDEX FUND

### Objective

The Nationwide Mid Cap Market Index Fund seeks to match the performance of the Standard & Poor's MidCap 400® Index ("S&P MidCap 400 Index") as closely as possible before the deduction of Fund expenses. This objective can be changed by the Board of Trustees without shareholder approval upon 60-days written notice to shareholders.

### Principal Investment Strategies

The Fund employs a "passive" management approach, investing in a portfolio of assets whose performance is expected to match approximately the performance of the S&P MidCap 400 Index before the deduction of Fund expenses. This means that the Fund will buy or sell securities only when the Fund's subadviser believes it necessary in order to match the performance of the S&P MidCap 400 Index, and not based on its economic, financial or market analysis. Under normal circumstances, the Fund invests at least 80% of its net assets in **equity securities** of companies included in the S&P MidCap 400 Index and in **derivative** instruments linked to the S&P MidCap 400 Index, primarily futures contracts.

The Fund does not necessarily invest in all of the securities in the S&P MidCap 400 Index, or in the same weightings. The Fund's portfolio manager chooses investments so that the **market capitalizations**, industry weightings and other fundamental characteristics of the securities chosen are similar to the S&P MidCap 400 Index as a whole. As of December 31, 2009, the market capitalizations of companies in the S&P MidCap 400 Index ranged from \$260.0 million to \$8.3 billion.

The S&P MidCap 400 Index is composed of 400 common stocks issued by U.S. mid-capitalization companies in a wide range of businesses and is generally considered to broadly represent the performance of publicly traded U.S. mid-capitalization stocks. The S&P MidCap 400 Index is a market-weighted index, which means that the stocks of the largest companies in the index have the greatest effect on its performance. Standard & Poor's selects stocks for the S&P MidCap 400 Index based on a number of factors, including market capitalization, liquidity, financial viability and industry representation, and does not evaluate whether any particular stock is an attractive investment. Standard & Poor's periodically updates the S&P MidCap 400 Index, at which time there may be substantial changes in the composition of the Index. Individuals cannot invest directly in an index.

### Principal Risks

The Fund is subject to the same risks that apply to all mutual funds that invest in equity securities. For instance, the value of the Fund's investments—and therefore, the value of Fund shares—may fluctuate. Further, the Fund's portfolio managers may select securities that underperform

the stock market, the Fund's benchmark or other mutual funds with similar investment objectives and strategies.

In addition, the Fund is subject to **STOCK MARKET RISK, MID-CAP RISK, DERIVATIVES RISK** and **INDEX FUND RISK**, each of which is described in the section "Risks of Investing in the Funds" beginning on page 25.

The Fund cannot guarantee that it will achieve its investment objective. If the value of the Fund's investments goes down, you may lose money.

#### Key Terms:

**Equity securities** represent an ownership interest in the issuer. Common stocks are the most common type of equity securities.

**Derivative** – a contract or investment the value of which is based on the performance of an underlying financial asset, index or economic measure.

**Market capitalization** is a common way of measuring the size of a company based on the price of its common stock times the number of outstanding shares.

## HOW THE FUNDS INVEST: NATIONWIDE S&P 500 INDEX FUND

### Objective

The Nationwide S&P 500 Index Fund seeks to provide investment results that correspond to the price and yield performance of publicly traded common stocks, as represented by the Standard & Poor's 500® Index ("S&P 500 Index"). This objective can be changed by the Board of Trustees without shareholder approval upon 60-days written notice to shareholders.

### Principal Investment Strategies

The Fund employs a "passive" management approach, investing in a portfolio of assets whose performance is expected to match approximately the performance of the S&P 500 Index before the deduction of Fund expenses. This means that the Fund will buy or sell securities only when the Fund's subadviser believes it necessary in order to match the performance of the S&P 500 Index, and not based on its economic, financial or market analysis. Under normal circumstances, the Fund invests at least 80% of its net assets in **equity securities** of companies included in the S&P 500 Index and in **derivative** instruments linked to the S&P 500 Index, primarily futures contracts.

The Fund does not necessarily invest in all of the securities in the S&P 500 Index, or in the same weightings. The Fund's portfolio manager chooses investments so that the **market capitalizations**, industry weightings and other fundamental characteristics of the securities chosen are similar to the S&P 500 Index as a whole. As of December 31, 2009, the market capitalizations of companies in the S&P 500 Index ranged from \$1.1 billion to \$323.7 billion.

The S&P 500 Index is composed of approximately 500 common stocks selected by Standard & Poor's, most of which are listed on the New York Stock Exchange or NASDAQ. The S&P 500 Index is generally considered to broadly represent the performance of publicly traded U.S. larger capitalization stocks, although a small part of the S&P 500 Index is made up of foreign companies that have a large U.S. presence. The S&P 500 Index is a market-weighted index, which means that the stocks of the largest companies in the index have the greatest effect on its performance. Standard & Poor's selects stocks for the S&P 500 Index based on a number of factors, including market capitalization, liquidity, financial viability and industry representation, and does not evaluate whether any particular stock is an attractive investment. Standard & Poor's periodically updates the S&P 500 Index, at which time there may be substantial changes in the composition of the Index. Individuals cannot invest directly in an index.

### Principal Risks

The Fund is subject to the same risks that apply to all mutual funds that invest in equity securities. For instance, the value of the Fund's investments—and therefore, the

value of Fund shares—may fluctuate. Further, the Fund's portfolio managers may select securities that underperform the stock market, the Fund's benchmark or other mutual funds with similar investment objectives and strategies.

In addition, the Fund is subject to **STOCK MARKET RISK**, **DERIVATIVES RISK** and **INDEX FUND RISK**, each of which is described in the section "Risks of Investing in the Funds" beginning on page 25.

The Fund cannot guarantee that it will achieve its investment objective. If the value of the Fund's investments goes down, you may lose money.

#### Key Terms:

**Equity securities** represent an ownership interest in the issuer. Common stocks are the most common type of equity securities.

**Derivative** – a contract or investment the value of which is based on the performance of an underlying financial asset, index or economic measure.

**Market capitalization** is a common way of measuring the size of a company based on the price of its common stock times the number of outstanding shares.

## HOW THE FUNDS INVEST: NATIONWIDE SMALL CAP INDEX FUND

### Objective

The Nationwide Small Cap Index Fund seeks to match the performance of the Russell 2000® Index (“Russell 2000 Index”) as closely as possible before the deduction of Fund expenses. This objective can be changed by the Board of Trustees without shareholder approval upon 60-days written notice to shareholders.

### Principal Investment Strategies

The Fund employs a “passive” management approach, investing in a portfolio of assets whose performance is expected to match approximately the performance of the Russell 2000 Index before the deduction of Fund expenses. This means that the Fund will buy or sell securities only when the Fund’s subadviser believes it necessary in order to match the performance of the Russell 2000 Index, and not based on its economic, financial or market analysis. Under normal circumstances, the Fund invests at least 80% of its net assets in a statistically selected sampling of **equity securities** of companies included in the Russell 2000 Index and in **derivative** instruments linked to the Russell 2000 Index, primarily futures contracts.

The Fund does not necessarily invest in all of the securities in the Russell 2000 Index, or in the same weightings. The Fund’s portfolio manager chooses investments so that the **market capitalizations**, industry weightings and other fundamental characteristics of the securities chosen are similar to the Russell 2000 Index as a whole. As of December 31, 2009, the market capitalizations of companies in the Russell 2000 Index ranged from \$20 million to \$5.6 billion.

The Russell 2000 Index is composed of the 1,001<sup>st</sup> through 3,000<sup>th</sup> largest U.S. companies by market capitalization, as determined by the Frank Russell Company. The Russell 2000 Index represents stocks issued by smaller U.S. companies in a wide range of businesses, and is generally considered to broadly represent the performance of publicly traded U.S. smaller-capitalization stocks. The Russell 2000 Index is a market-weighted index, which means that the stocks of the largest companies in the index have the greatest effect on its performance. Inclusion of a stock in the Russell 2000 Index does not mean that the Frank Russell Company believes the stock to be an attractive investment. Individuals cannot invest directly in an index.

The Frank Russell Company updates the Russell 2000 Index once annually, at which time there may be substantial changes in the composition of the Index. Stocks of companies that merge, are acquired or otherwise cease to exist during the year are not replaced in the Index until the annual update.

### Principal Risks

The Fund is subject to the same risks that apply to all mutual funds that invest in equity securities. For instance, the value of the Fund’s investments—and therefore, the value of Fund shares—may fluctuate. Further, the Fund’s portfolio managers may select securities that underperform the stock market, the Fund’s benchmark or other mutual funds with similar investment objectives and strategies.

In addition, the Fund is subject to **STOCK MARKET RISK**, **SMALL-CAP RISK**, **DERIVATIVES RISK** and **INDEX FUND RISK**, each of which is described in the section “Risks of Investing in the Funds” beginning on page 25.

The Fund cannot guarantee that it will achieve its investment objective. If the value of the Fund’s investments goes down, you may lose money.

#### Key Terms:

**Equity securities** represent an ownership interest in the issuer. Common stocks are the most common type of equity securities.

**Derivative** – a contract or investment the value of which is based on the performance of an underlying financial asset, index or economic measure.

**Market capitalization** is a common way of measuring the size of a company based on the price of its common stock times the number of outstanding shares.

## RISKS OF INVESTING IN THE FUNDS

As with all mutual funds, investing in Nationwide Funds involves certain risks. There is no guarantee that a Fund will meet its investment objective or that a Fund will perform as it has in the past. You may lose money if you invest in one or more Nationwide Funds.

The following information relates to the principal risks of investing in the Funds, as identified in the “Fund Summary” and “How the Funds Invest” sections for each Fund. A Fund may invest in or use other types of investments or strategies not shown below that do not represent principal strategies or raise principal risks. More information about these non-principal investments, strategies and risks is available in the Funds’ Statement of Additional Information (“SAI”).

**Credit risk** – a Fund has the risk that the issuer of a debt security will be unable to pay the interest or principal when due. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

Changes in an issuer’s credit rating can adversely affect the value of a Fund’s investments. Obligations rated in the fourth highest rating category by any rating agency are considered medium-grade securities. Medium-grade securities, although considered investment-grade, have speculative characteristics and may be subject to greater fluctuations in value than higher-rated securities. In addition, the issuers of medium-grade securities may be more vulnerable to adverse economic conditions or changing circumstances than issuers of higher-rated securities. High-yield bonds, which are rated below investment grade, are generally more exposed to credit risk than investment grade securities.

A corporate event such as a restructuring, merger, leveraged buyout, takeover, or similar action may cause a decline in market value of an issuer’s securities or credit quality of its bonds due to factors including an unfavorable market response or a resulting increase in the company’s debt. Added debt may significantly reduce the credit quality and market value of a company’s bonds, and may thereby affect the value of its equity securities as well.

*U.S. government and U.S. government agency securities* – neither the U.S. government nor its agencies guarantee the market value of their securities, and interest rate changes, prepayments and other factors may affect the value of government securities. Some of the securities purchased by a Fund are issued by the U.S. government, such as Treasury notes, bills and bonds, and Government National Mortgage Association (“GNMA”) pass-through certificates, and are backed by the “full faith and credit” of the U.S. government (the U.S. government has the power to tax its citizens to pay these debts) and are subject to little credit risk. Securities issued by U.S. government agencies, authorities or instrumentalities, such as the Federal Home Loan Banks, Federal National Mortgage Association (“FNMA”) and Federal Home Loan Mortgage Corporation (“FHLMC”), are neither issued nor guaranteed by the U.S. government. Although FNMA, FHLMC and the Federal Home Loan Banks are chartered by Acts of Congress, their securities are backed

only by the credit of the respective instrumentality. Investors should remember that although certain government securities are guaranteed, market price and yield of the securities or net asset value and performance of the Funds are not guaranteed.

**Derivatives risk** – a derivative is a contract or investment the value of which is based on the performance of an underlying financial asset, index or other measure. For example, a futures contract is a derivative because its value changes in relation to the performance of an underlying index. Each of the Funds may invest in derivatives, primarily exchange-traded futures contracts. The use of these derivatives allows a Fund to increase or decrease exposure to its target index quickly, with less cost than buying or selling securities. Each Fund will invest in options, futures and other derivative investments in the following circumstances:

- purchases of Fund shares increase;
- to provide liquidity for redemptions of Fund shares and
- to keep trading costs low.

In connection with the use of derivative instruments, a Fund may enter into short sales in order to adjust the weightings of particular securities represented in a derivative to more accurately reflect the securities’ weightings in the target index.

Derivatives present the risk of disproportionately increased losses and/or reduced opportunities for gains when the financial asset to which the derivative is linked changes in unexpected ways. Some risks of investing in derivatives include:

- the other party to the derivatives contract may fail to fulfill its obligations;
- their use may reduce liquidity and make a Fund harder to value, especially in declining markets;
- a Fund may suffer disproportionately heavy losses relative to the amount invested and
- when used for hedging purposes, changes in the value of derivatives may not match or fully offset changes in the value of the hedged portfolio securities, thereby failing to achieve the original purpose for using the derivatives.

Each Fund has claimed an exclusion from the definition of the term “commodity pool operator” under the Commodity Exchange Act (CEA) and, therefore, is not subject to registration or regulation as a commodity pool operator under the CEA.

**Extension risk** – when interest rates rise, certain bond obligations will be paid off by the issuer more slowly than anticipated. This can cause the market value of the security to fall because the market may view its interest rate as too low for a longer-term investment.

**Foreign securities risk** – foreign securities may be more volatile, harder to price and less liquid than U.S. securities.

## RISKS OF INVESTING IN THE FUNDS *(cont.)*

Foreign investments involve some of the following risks as well:

- political and economic instability;
- the impact of currency exchange rate fluctuations;
- reduced information about issuers;
- higher transaction costs;
- less stringent regulatory and accounting standards and
- delayed settlement.

Additional risks include the possibility that a foreign jurisdiction might impose or increase withholding taxes on income payable with respect to foreign securities; the possible seizure, nationalization or expropriation of the issuer or foreign deposits (in which the Fund could lose its entire investment in a certain market) and the possible adoption of foreign governmental restrictions such as exchange controls.

*Foreign currencies* – (Nationwide International Index Fund) foreign securities may be denominated or quoted in currencies other than the U.S. dollar. Changes in foreign currency exchange rates affect the value of a Fund's portfolio. Generally, when the U.S. dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. dollars. Conversely, when the U.S. dollar decreases in value against a foreign currency, a security denominated in that currency gains value because the currency is worth more U.S. dollars.

*Foreign custody* – a Fund that invests in foreign securities may hold such securities and cash in foreign banks and securities depositories. Some foreign banks and securities depositories may be recently organized or new to the foreign custody business. In addition, there may be limited or no regulatory oversight over their operations. Also, the laws of certain countries may put limits on a Fund's ability to recover its assets if a foreign bank, depository or issuer of a security, or any of their agents, goes bankrupt. In addition, it is often more expensive for a Fund to buy, sell and hold securities in certain foreign markets than in the United States. The increased expense of investing in foreign markets reduces the amount a Fund can earn on its investments and typically results in a higher operating expense ratio for a Fund holding assets outside the United States.

*Foreign government debt securities* – (Nationwide Bond Index Fund) a government entity may delay or refuse to pay interest or repay principal on its debt for reasons including cash flow problems, insufficient foreign currency reserves, political considerations, relative size of its debt position to its economy or failure to put into place economic reforms required by the International Monetary Fund. If a government entity defaults, it generally will ask for more time to pay or request further loans. There is no bankruptcy proceeding by which all or part of the debt securities that a government entity has not repaid may be collected.

*Depository receipts* – (Nationwide International Index Fund) investments in foreign securities may be in the form of depository receipts, such as American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs"), which typically are issued by local financial institutions and evidence ownership of the underlying securities. Depository receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted. Depository receipts may or may not be jointly sponsored by the underlying issuer. The issuers of unsponsored depository receipts are not obligated to disclose information that is, in the United States, considered material. Therefore, there may be less information available regarding these issuers and there may not be a correlation between such information and the market value of the depository receipts. Certain depository receipts are not listed on an exchange and therefore may be considered to be illiquid securities.

**Index fund risk** – the Funds do not use defensive strategies or attempt to reduce their exposures to poor performing securities. Therefore, in the event of a general market decline, a Fund's value may fall more than the value of another mutual fund that does attempt to hedge against such market declines. Also, correlation between a Fund's performance and that of its target index may be negatively affected by such factors as:

- failure to fully replicate its target index;
- changes in the composition of the target index;
- the timing of purchase and redemption of the Fund's shares and
- the Fund's operating expenses.

Unlike an index fund, an index has no operating or other expenses. As a result, even though an index fund attempts to track its target index as closely as possible, it will tend to underperform the index to some degree over time.

**Interest rate risk** – prices of fixed-income securities generally increase when interest rates decline and decrease when interest rates increase. Prices of longer term securities generally change more in response to interest rate changes than prices of shorter term securities. To the extent a Fund invests a substantial portion of its assets in fixed-income securities with longer-term maturities, rising interest rates may cause the value of the Fund's investments to decline significantly.

*Inflation* – prices of existing fixed-rate debt securities could decline due to inflation or the threat of inflation. Inflationary expectations are generally associated with higher prevailing interest rates, which normally lower the prices of existing fixed-rate debt securities. Because inflation reduces the purchasing power of income produced by existing fixed-rate securities, the prices at which these securities trade also will be reduced to compensate for the fact that the income they produce is worth less.

## RISKS OF INVESTING IN THE FUNDS *(cont.)*

**Liquidity risk** – the risk that a Fund may invest to a greater degree in instruments that trade in lower volumes and may make investments that may be less liquid than other investments. Also, the risk that a Fund may make investments that may become less liquid in response to market developments or adverse investor perceptions. When there is no willing buyer and investments cannot be readily sold at the desired time or price, the Fund may have to accept a lower price or may not be able to sell the instruments at all. An inability to sell a portfolio position can adversely affect a Fund's value or prevent a Fund from being able to take advantage of other investment opportunities. Liquidity risk may also refer to the risk that a Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. To meet redemption requests, a Fund may be forced to sell liquid securities at an unfavorable time and conditions. Funds that invest in non-investment-grade fixed-income securities, small- and mid-capitalization stocks, REITs and emerging country issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within particular investment categories, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions, whether or not accurate.

**Mid-cap risk** – see “Small- and mid-cap risks.”

**Mortgage-backed securities risk** – these fixed-income securities represent the right to receive a portion of principal and/or interest payments made on a pool of residential or commercial mortgage loans. When interest rates fall, borrowers may refinance or otherwise repay principal on their loans earlier than scheduled. When this happens, certain types of mortgage-backed securities will be paid off more quickly than originally anticipated and a Fund will have to invest the proceeds in securities with lower yields. This risk is known as “prepayment risk.” When interest rates rise, certain types of mortgage-backed securities will be paid off more slowly than originally anticipated and the value of these securities will fall if the market perceives the securities' interest rates to be too low for a longer-term investment. This risk is known as “extension risk.” Because of prepayment risk and extension risk, mortgage-backed securities react differently to changes in interest rates than other fixed-income securities. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities. Through its investments in mortgage-backed securities, including those issued by private lenders, a Fund may have some exposure to subprime loans, as well as to the mortgage and credit markets generally. Subprime loans refer to loans made to borrowers with weakened credit histories or with a lower capacity to make timely payments to their loans. For these reasons, the loans underlying these securities have had in many cases higher default rates than those loans that meet government underwriting

requirements. The risk of non-payment is greater for mortgage-backed securities issued by private lenders that contain subprime loans, but a level of risk exists for all loans.

**Portfolio turnover risk** – a higher portfolio turnover rate increases transaction costs and as a result may adversely impact a Fund's performance and may:

- increase share price volatility and
- result in additional tax consequences for Fund shareholders.

**Prepayment and call risk** – certain bonds will be paid off by the issuer more quickly than anticipated. If this happens, the Fund may be required to invest the proceeds in securities with lower yields.

**Small- and mid-cap risks** – in general, stocks of smaller and medium-sized companies trade in lower volumes, may be less liquid, and are subject to greater or more unpredictable price changes than stocks of larger companies or the market overall. Small- and mid-cap companies may have limited product lines or markets, be less financially secure than larger companies or depend on a smaller number of key personnel. If adverse developments occur, such as due to management changes or product failures, the Fund's investment in a small- or mid-cap company may lose substantial value. Investing in small- and mid-cap companies requires a longer term investment view and may not be appropriate for all investors.

**Stock market risk** – a Fund could lose value if the individual equity securities in which it has invested and/or the overall stock markets on which the stocks trade decline in price. Stocks and stock markets may experience short-term volatility (price fluctuation) as well as extended periods of price decline or little growth. Individual stocks are affected by many factors, including:

- corporate earnings;
- production;
- management;
- sales and
- market trends, including investor demand for a particular type of stock, such as growth or value stocks, small- or large-cap stocks, or stocks within a particular industry.

Stock markets are affected by numerous factors, including interest rates, the outlook for corporate profits, the health of the national and world economies, national and world social and political events, and the fluctuation of other stock markets around the world.

\* \* \* \* \*

**Temporary investments** – each Fund generally will be fully invested in accordance with its objective and strategies. However, pending investment of cash balances, or in anticipation of possible redemptions, a Fund may invest without limit in cash or money market cash equivalents. The use of temporary investments therefore is not a principal

## **RISKS OF INVESTING IN THE FUNDS** *(cont.)*

strategy, as it prevents a Fund from fully pursuing its investment objective, and the Fund may miss potential market upswings.

### **Selective Disclosure of Portfolio Holdings**

Each Fund posts onto the Internet site for the Trust ([www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds)) substantially all of its securities holdings as of the end of each month. Such portfolio holdings are available no earlier than 15 calendar days after the end of the previous month, and remain available on the Internet site until the Fund files its next quarterly portfolio holdings report on Form N-CSR or Form N-Q with the Securities and Exchange Commission. A description of the Funds' policies and procedures regarding the release of portfolio holdings information is available in the Funds' SAI.

## FUND MANAGEMENT

### Investment Adviser

Nationwide Fund Advisors (“NFA” or the “Adviser”), 1000 Continental Drive, Suite 400, King of Prussia, Pennsylvania 19406, manages the investment of the Funds’ assets and supervises the daily business affairs of each Fund. Subject to the supervision of the Board of Trustees, NFA also determines the allocation of Fund assets among one or more subadvisers and evaluates and monitors the performance of the subadvisers. NFA was organized in 1999 as an investment adviser for mutual funds. NFA is a wholly owned subsidiary of Nationwide Financial Services, Inc.

### Subadviser

Subject to the supervision of NFA and the Board of Trustees, a subadviser will manage all or a portion of a Fund’s assets in accordance with the Fund’s investment objective and strategies. With regard to the portion of Fund assets allocated to it, each subadviser makes investment decisions for the Fund and, in connection with such investment decisions, places purchase and sell orders for securities. NFA pays each subadviser from the management fee it receives.

**BLACKROCK INVESTMENT MANAGEMENT, LLC (“BlackRock”)**, 800 Scudders Mill Road, Plainsboro, New Jersey 08536, is the Funds’ subadviser. BlackRock is a registered investment adviser and a commodity pool operator and was organized in 1999. BlackRock is an indirect wholly owned subsidiary of BlackRock, Inc.

A discussion regarding the basis for the Board of Trustees’ approval of the investment advisory and subadvisory agreements for the Funds will be available in the Funds’ semiannual report to shareholders, which will cover the period ending April 30, 2010.

### Management Fees

Each Fund pays the Adviser a management fee based on the Fund’s average daily net assets. The total management fee paid by each Fund for the fiscal year ended October 31, 2009, expressed as a percentage of the Fund’s average daily net assets and taking into account any applicable waivers or reimbursements, was as follows:

Fund	Management Fee Paid
Nationwide Bond Index Fund	0.13%
Nationwide International Index Fund	0.19%
Nationwide Mid Cap Market Index Fund	0.12%
Nationwide S&P 500 Index Fund	0.05%
Nationwide Small Cap Index Fund	0.09%

### Portfolio Management

#### Nationwide Bond Index Fund

The Nationwide Bond Index Fund is managed by a team comprising of Curtis Arledge and Matthew Marra. This team is jointly responsible for the day-to-day management of the Fund’s investments.

Curtis Arledge is a Managing Director of and portfolio manager with BlackRock. Prior to joining BlackRock in 2008, Mr. Arledge was the Global Head of the Fixed Income Division of Wachovia Corporation from 2004 to 2008.

Matthew Marra is a Managing Director of and portfolio manager with BlackRock and is a member of BlackRock’s Fixed Income Portfolio Management Group. Mr. Marra’s primary responsibility is managing total return portfolios, with a sector emphasis on Treasury and Agency securities. Mr. Marra became part of the Portfolio Management Group in 1997. He joined BlackRock in 1995 as an analyst in the Portfolio Analytics Group.

#### Nationwide International Index Fund, Nationwide Mid Cap Market Index Fund, Nationwide S&P 500 Index Fund and Nationwide Small Cap Index Fund

Each Fund is managed by Debra L. Jelilian, who is a member of BlackRock’s Quantitative Index Management Team. Ms. Jelilian is responsible for the day-to-day management of each Fund’s portfolio and the selection of each Fund’s investments.

Ms. Jelilian is a Managing Director of BlackRock, which she joined in 2006. Prior to joining BlackRock, Ms. Jelilian was a Director of Merrill Lynch Investment Managers, L.P. from 1999 to 2006, and has been a member of the Funds’ management team since 2000.

### Additional Information about the Portfolio Managers

The SAI provides additional information about each portfolio manager’s compensation, other accounts managed by the portfolio manager and the portfolio manager’s ownership of securities in the Fund(s) managed by the portfolio manager, if any.

# INVESTING WITH NATIONWIDE FUNDS

## Choosing a Share Class

When selecting a share class, you should consider the following:

- which share classes are available to you;
- how long you expect to own your shares;
- how much you intend to invest;
- total costs and expenses associated with a particular share class and
- whether you qualify for any reduction or waiver of sales charges.

Your financial advisor can help you to decide which share class is best suited to your needs.

The Nationwide Funds offer several different share classes, each with different price and cost features. The following table compares Class A and Class C shares, which are available to all investors, and Class B shares, which are available only to certain investors.

Class R2, Institutional Service Class, Service Class, and Institutional Class shares are available only to certain investors. For eligible investors, Class R2, Institutional Service Class, Service Class, and Institutional Class shares may be more suitable than Class A, Class B or Class C shares.

Before you invest, compare the features of each share class, so that you can choose the class that is right for you. We describe each share class in detail on the following pages. Your financial advisor can help you with this decision.

### Comparing Class A, Class B and Class C Shares

Classes and Charges	Points to Consider
<b>Class A Shares</b>	
Front-end sales charge up to 5.75%	A front-end sales charge means that a portion of your initial investment goes toward the sales charge and is not invested.
Annual service and/or 12b-1 fee of 0.25%	Reduction and waivers of sales charges may be available.
Administrative services fee up to 0.25%	Total annual operating expenses are lower than Class B and Class C expenses, which means higher dividends and/or net asset value ("NAV") per share.
	No conversion feature.
	No maximum investment amount.

Classes and Charges	Points to Consider
<b>Class B Shares (closed to new investors)</b>	
CDSC up to 5.00%	No front-end sales charge means your full investment immediately goes toward buying shares.
	No reduction of CDSC, but waivers may be available.
	The CDSC declines 1% in most years to zero after six years.
Annual service and/or 12b-1 fee of 1.00%	Total annual operating expenses are higher than Class A expenses, which means lower dividends and/or NAV per share.
No administrative services fee	Automatic conversion to Class A shares after seven years, which means lower annual expenses in the future.
	Maximum investment amount of \$100,000. Larger investments may be rejected.

Classes and Charges	Points to Consider
<b>Class C Shares</b>	
CDSC of 1.00%	No front-end sales charge means your full investment immediately goes toward buying shares.
	No reduction of CDSC, but waivers may be available.
	The CDSC declines to zero after one year.
Annual service and/or 12b-1 fee of 1.00%	Total annual operating expenses are higher than Class A expenses, which means lower dividends and/or NAV per share.
No administrative services fee	No conversion feature.
	Maximum investment amount of \$1,000,000. <sup>1</sup> Larger investments may be rejected.

<sup>1</sup> This limit was calculated based on a one-year holding period.

## INVESTING WITH NATIONWIDE FUNDS (cont.)

### Class A Shares

Class A shares may be most appropriate for investors who want lower fund expenses or those who qualify for reduced front-end sales charges or a waiver of sales charges.

#### Front-End Sales Charges for Class A Shares

Amount of Purchase	Sales Charge as a Percentage of		Dealer Commission as a Percentage of Offering Price
	Offering Price	Net Amount Invested (approximately)	
Less than \$50,000	5.75%	6.10%	5.00%
50,000 to \$99,999	4.75	4.99	4.00
\$100,000 to \$249,999	3.50	3.63	3.00
\$250,000 to \$499,999	2.50	2.56	2.00
\$500,000 to \$999,999	2.00	2.04	1.75
\$1 million or more	None	None	None

#### Reduction and Waiver of Class A Sales Charges

If you qualify for a reduction or waiver of Class A sales charges, you must notify the Funds' transfer agent, your financial advisor or other intermediary at the time of purchase and must also provide any required evidence showing that you qualify. The value of cumulative quantity discount eligible shares equals the cost or current value of those shares, whichever is higher. The current value of shares is determined by multiplying the number of shares by their current NAV. In order to obtain a sales charge reduction, you may need to provide your financial intermediary or the Funds' transfer agent, at the time of purchase, with information regarding shares of the Funds held in other accounts which may be eligible for aggregation. Such information may include account statements or other records regarding shares of the Funds held in (i) all accounts (e.g., retirement accounts) with the Funds and your financial intermediary; (ii) accounts with other financial intermediaries and (iii) accounts in the name of immediate family household members (spouse and children under 21). You should retain any records necessary to substantiate historical costs because the Fund, its transfer agent and financial intermediaries may not maintain this information. Otherwise, you may not receive the reduction or waiver. See "Reduction of Class A Sales Charges" and "Waiver of Class A Sales Charges" below and "Reduction of Class A Sales Charges" and "Net Asset Value Purchase Privilege (Class A Shares Only)" in the SAI for more information. This information regarding breakpoints is also available free of charge at [www.nationwide.com/mutual-funds-sales-charges.jsp](http://www.nationwide.com/mutual-funds-sales-charges.jsp).

### Reduction of Class A Sales Charges

Investors may be able to reduce or eliminate front-end sales charges on Class A shares through one or more of these methods:

- **A larger investment.** The sales charge decreases as the amount of your investment increases.
- **Rights of accumulation.** To qualify for the reduced Class A sales charge that would apply to a larger purchase than you are currently making (as shown in the table above), you and other family members living at the same address can add the current value of any Class A, Class D, Class B or Class C shares in all Nationwide Funds (except Nationwide Money Market Fund) that you currently own or are currently purchasing to the value of your Class A purchase.
- **Insurance proceeds or benefits discount privilege.** If you use the proceeds of an insurance policy issued by any Nationwide Insurance company to purchase Class A shares, you pay one-half of the published sales charge, as long as you make your investment within 60 days of receiving the proceeds.
- **Share repurchase privilege.** If you redeem Fund shares from your account, you qualify for a one-time reinvestment privilege. You may reinvest some or all of the proceeds in shares of the same class without paying an additional sales charge within 30 days of redeeming shares on which you previously paid a sales charge. (Reinvestment does not affect the amount of any capital gains tax due. However, if you realize a loss on your redemption and then reinvest all or some of the proceeds, all or a portion of that loss may not be tax deductible.)
- **Letter of intent discount.** If you declare in writing that you or a group of family members living at the same address intend to purchase at least \$50,000 in Class A shares (except the Nationwide Money Market Fund) during a 13-month period, your sales charge is based on the total amount you intend to invest. You can also combine your purchase of Class A, Class B and Class C shares with your purchase of Class D shares to fulfill your Letter of Intent. You are not legally required to complete the purchases indicated in your Letter of Intent. However, if you do not fulfill your Letter of Intent, additional sales charges may be due and shares in your account would be liquidated to cover those sales charges.

#### Waiver of Class A Sales Charges

Front-end sales charges on Class A shares are waived for the following purchasers:

- investors purchasing shares through an unaffiliated brokerage firm that has an agreement with Nationwide Fund Distributors LLC (the "Distributor") to waive sales charges;
- directors, officers, full-time employees, sales representatives and their employees and investment

## INVESTING WITH NATIONWIDE FUNDS (cont.)

advisory clients of a broker-dealer that has a dealer/selling agreement with the Distributor;

- any investor who pays for shares with proceeds from sales of a Nationwide Fund's Class D shares (Class D shares are offered by other Nationwide Funds, but not these Funds);
- retirement plans;
- investment advisory clients of the Adviser and its affiliates;
- directors, officers, full-time employees (and their spouses, children or immediate relatives) of sponsor groups that may be affiliated with the Nationwide Insurance and Nationwide Financial companies from time to time and
- investors purchasing through a broker-dealer or other financial intermediary that agrees to waive the entire Dealer Commission portion of the sales load, as described in the SAI.

The SAI lists other investors eligible for sales charge waivers.

### Waiver of Contingent Deferred Sales Charges Class B and Class C Shares

The CDSC is waived on:

- the redemption of Class B or Class C shares purchased through reinvested dividends or distributions;
- Class B shares which are qualifying redemptions of Class B shares under the Automatic Withdrawal Program;
- Class B or Class C shares redeemed following the death or disability of a shareholder, provided the redemption occurs within one year of the shareholder's death or disability;
- mandatory withdrawals of Class B or Class C shares from traditional IRA accounts after age 70½ and for other required distributions from retirement accounts and
- redemptions of Class C shares from retirement plans offered by retirement plan administrators that maintain an agreement with the Funds or the Distributor.

If a CDSC is charged when you redeem your Class C shares, and you then reinvest the proceeds in Class C shares within 30 days, shares equal to the amount of the CDSC are re-deposited into your new account.

If you qualify for a waiver of a CDSC, you must notify the Funds' transfer agent, your financial advisor or other intermediary at the time of purchase and must also provide any required evidence showing that you qualify. For more complete information, see the SAI.

### Class B Shares

Class B shares are offered only (1) to current shareholders of Class B shares that wish to add to their existing Class B investments in the same fund; (2) to current shareholders of Class B shares exchanging into Class B shares of another Nationwide Fund and (3) through reinvestment of dividends or distributions that are paid on Class B shares in additional Class B shares.

Class B shares may be appropriate if you do not want to pay a front-end sales charge, are investing less than \$100,000 and anticipate holding your shares for longer than six years. If you redeem Class B shares within six years of purchase you must pay a CDSC (if you are not entitled to a waiver). The amount of the CDSC decreases as shown in the following table:

Sale within	1 year	2 years	3 years	4 years	5 years	6 years	7 years or more
Sales charge	5%	4%	3%	3%	2%	1%	0%

### Conversion of Class B Shares

After you hold your Class B shares for seven years, they automatically convert at no charge into Class A shares, which have lower fund expenses. Shares purchased through the reinvestment of dividends and other distributions also are converted. Because the share price of Class A shares is usually higher than that of Class B shares, you may receive fewer Class A shares than Class B shares upon conversion; however, the total dollar value will be the same.

### Class C Shares

Class C shares may be appropriate if you are uncertain how long you will hold your shares. If you redeem your Class C shares within the first year after purchase, you must pay a CDSC of 1%.

For both Class B and Class C shares, the CDSC is based on the original purchase price or the current market value of the shares being redeemed, whichever is less. If you redeem a portion of your shares, shares that are not subject to a CDSC are redeemed first, followed by shares that you have owned the longest. This minimizes the CDSC that you pay. See "Waiver of Contingent Deferred Sales Charges—Class B and Class C Shares" for a list of situations where a CDSC is not charged.

### Share Classes Available only to Institutional Accounts

The Funds offer Class R2, Institutional Service Class, Institutional Class and Service Class shares. Only certain types of entities and selected individuals are eligible to purchase shares of these classes.

If an institution or retirement plan has hired an intermediary and is eligible to invest in more than one class of shares, the intermediary can help determine which share class is appropriate for that retirement plan or other institutional account. Plan fiduciaries should consider their obligations under the Employee Retirement Income Security Act (ERISA) when determining which class is appropriate for the retirement plan.

## INVESTING WITH NATIONWIDE FUNDS *(cont.)*

Other fiduciaries should also consider their obligations in determining the appropriate share class for a customer including:

- the level of distribution and administrative services the plan requires;
- the total expenses of the share class and
- the appropriate level and type of fee to compensate the intermediary. An intermediary may receive different compensation, depending on which class is chosen.

### Class R2 Shares

Class R2 shares **are available** to retirement plans, including:

- 401(k) plans;
- 457 plans;
- 403(b) plans;
- profit-sharing and money purchase pension plans;
- defined benefit plans;
- non-qualified deferred compensation plans and
- other retirement accounts in which the retirement plan or the retirement plan's financial services firm has an agreement with the Distributor to use Class R2 shares.

The above-referenced plans are generally small and mid-sized retirement plans, having at least \$1 million in assets and shares held through omnibus accounts that are represented by an intermediary such as a broker, third-party administrator, registered investment adviser or other plan service provider.

Class R2 shares **are not available** to:

- institutional non-retirement accounts;
- traditional and Roth IRAs;
- Coverdell Education Savings Accounts;
- SEPs and SAR-SEPs;
- SIMPLE IRAs;
- one-person Keogh plans;
- individual 403(b) plans or
- 529 Plan accounts.

### Institutional Service Class and Service Class Shares

Institutional Service Class and Service Class shares are available for purchase only by the following:

- retirement plans advised by financial professionals who are not associated with brokers or dealers primarily engaged in the retail securities business and rollover individual retirement accounts from such plans;
- retirement plans for which third-party administrators provide recordkeeping services and are compensated by the Funds for these services;
- a bank, trust company or similar financial institution investing for its own account or for trust accounts for which it has authority to make investment decisions as long as the accounts are part of a program that collects an administrative services fee;

- registered investment advisors investing on behalf of institutions and high net-worth individuals whose advisors are compensated by the Funds for providing services or
- life insurance separate accounts using the investment to fund benefits for variable annuity contracts issued to governmental entities as an investment option for 457 or 401(k) plans.

### Institutional Class Shares

Institutional Class shares are available for purchase only by the following:

- funds of funds offered by the Distributor or other affiliates of the Fund;
- retirement plans for which no third-party administrator receives compensation from the Funds;
- institutional advisory accounts of the Adviser's affiliates, those accounts which have client relationships with an affiliate of the Adviser, its affiliates and their corporate sponsors and subsidiaries and related retirement plans;
- rollover individual retirement accounts from such institutional advisory accounts;
- a bank, trust company or similar financial institution investing for its own account or for trust accounts for which it has authority to make investment decisions as long as the accounts are not part of a program that requires payment of Rule 12b-1 or administrative services fees to the financial institution;
- registered investment advisors investing on behalf of institutions and high net-worth individuals whose advisors derive compensation for advisory services exclusively from clients or
- high net-worth individuals who invest directly without using the services of a broker, investment adviser or other financial intermediary.

## Sales Charges and Fees

### Sales Charges

Sales charges, if any, are paid to the Distributor. These fees are either kept by the Distributor or paid to your financial advisor or other intermediary.

### Distribution and Service Fees

Each Fund has adopted a Distribution Plan under Rule 12b-1 of the Investment Company Act of 1940, which permits Class A, Class B, Class C, Class R2 and Service Class shares of the Funds to compensate the Distributor for expenses associated with distributing and selling shares and providing shareholder services through distribution and/or service fees. These fees are paid to the Distributor and are either kept or paid to your financial advisor or other intermediary for distribution and shareholder services. Institutional Service Class and Institutional Class shares pay no 12b-1 fees.

## INVESTING WITH NATIONWIDE FUNDS (cont.)

These 12b-1 fees are in addition to any applicable sales charges and are paid from the Funds' assets on an ongoing basis. (The fees are accrued daily and paid monthly.) As a result, 12b-1 fees increase the cost of your investment and over time may cost more than other types of sales charges. Under the Distribution Plan, Class A, Class B, Class C, Class R2 and Service Class shares pay the Distributor annual amounts not exceeding the following:

Class	as a % of Daily Net Assets
Class A shares	0.25% (distribution or service fee)
Class B shares	1.00% (0.25% service fee)
Class C shares	1.00% (0.25% service fee)
Class R2 shares	0.50% (0.25% of which may be either a distribution or service fee)
Service Class shares	0.15% (distribution or service fee)

### Administrative Services Fees

Class A, Class R2, Service Class and Institutional Service Class shares of the Funds are subject to fees pursuant to an Administrative Services Plan adopted by the Board of Trustees. (These fees are in addition to Rule 12b-1 fees for Class A, Class R2 and Service Class shares as described above.) These fees are paid by the Funds to broker-dealers or other financial intermediaries who provide administrative support services to beneficial shareholders on behalf of the Funds. Under the Administrative Services Plan, a Fund may pay a broker-dealer or other intermediary a maximum annual fee of 0.25% for Class A, Class R2, Service Class and Institutional Service Class shares; however, many intermediaries do not charge the maximum permitted fee or even a portion thereof.

For the year ended October 31, 2009, administrative services fees for the Funds were as follows:

**Nationwide Bond Index Fund** Class A shares and Class R2 shares were 0.14% and 0.20%, respectively.

**Nationwide International Index Fund** Class A shares and Class R2 shares were 0.15% and 0.20%, respectively.

**Nationwide Mid Cap Market Index Fund** Class A shares and Class R2 shares were 0.15% and 0.20%, respectively.

**Nationwide S&P 500 Index Fund** Class A, Class R2, Service Class and Institutional Service Class shares were 0.13%, 0.25%, 0.25% and 0.25%, respectively.

**Nationwide Small Cap Index Fund** Class A and Class R2 shares were 0.15% and 0.20%, respectively.

Because these fees are paid out of a Fund's Class A, Class R2, Service Class and Institutional Service Class assets on an ongoing basis, these fees will increase the cost of your investment in such share classes over time and may cost you more than paying other types of fees.

### Revenue Sharing

The Adviser and/or its affiliates (collectively, "Nationwide Funds Group" or "NFG") often make payments for marketing, promotional or related services provided by broker-dealers and other financial intermediaries that sell shares of the Trust or which include them as investment options for their respective customers.

These payments are often referred to as "revenue sharing payments." The existence or level of such payments may be based on factors that include, without limitation, differing levels or types of services provided by the broker-dealer or other financial intermediary, the expected level of assets or sales of shares, the placing of some or all of the Funds on a recommended or preferred list and/or access to an intermediary's personnel and other factors. Revenue sharing payments are paid from NFG's own legitimate profits and other of its own resources (not from the Funds) and may be in addition to any Rule 12b-1 payments that are paid to broker-dealers and other financial intermediaries. The Board of Trustees will monitor these revenue sharing arrangements as well as the payment of advisory fees paid by the Funds to ensure that the levels of such advisory fees do not involve the indirect use of the Funds' assets to pay for marketing, promotional or related services. Because revenue sharing payments are paid by NFG, and not from the Funds' assets, the amount of any revenue sharing payments is determined by NFG.

In addition to the revenue sharing payments described above, NFG may offer other incentives to sell shares of the Funds in the form of sponsorship of educational or other client seminars relating to current products and issues, assistance in training or educating an intermediary's personnel, and/or entertainment or meals. These payments may also include, at the direction of a retirement plan's named fiduciary, amounts to a retirement plan intermediary to offset certain plan expenses or otherwise for the benefit of plan participants and beneficiaries.

The recipients of such payments may include:

- the Distributor and other affiliates of the Adviser;
- broker-dealers;
- financial institutions and
- other financial intermediaries through which investors may purchase shares of a Fund.

Payments may be based on current or past sales, current or historical assets or a flat fee for specific services provided. In some circumstances, such payments may create an incentive for an intermediary or its employees or associated persons to sell shares of a Fund to you instead of shares of funds offered by competing fund families.

Contact your financial intermediary for details about revenue sharing payments it may receive.

## INVESTING WITH NATIONWIDE FUNDS *(cont.)*

Notwithstanding the revenue sharing payments described above, the Adviser and all subadvisers to the Trust are prohibited from considering a broker-dealer's sale of any of the Trust's shares in selecting such broker-dealer for the execution of Fund portfolio transactions, except as may be specifically permitted by law.

Fund portfolio transactions nevertheless may be effected with broker-dealers who coincidentally may have assisted customers in the purchase of Fund shares, although neither such assistance nor the volume of shares sold of the Trust or any affiliated investment company is a qualifying or disqualifying factor in the Adviser's or a subadviser's selection of such broker-dealer for portfolio transaction execution.

### Contacting Nationwide Funds

**Representatives** are available 8 a.m. to 7 p.m. Eastern Time, Monday through Friday, at 800-848-0920.

**Automated Voice Response** Call 800-848-0920, 24 hours a day, seven days a week, for easy access to mutual fund information. Choose from a menu of options to:

- make transactions;
- hear fund price information and
- obtain mailing and wiring instructions.

**Internet** Go to [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds)

24 hours a day, seven days a week, for easy access to your mutual fund accounts. The website provides instructions on how to select a password and perform transactions. On the website, you can:

- download Fund Prospectuses;
- obtain information on the Nationwide Funds;
- access your account information and
- request transactions, including purchases, redemptions and exchanges.

**By Regular Mail** Nationwide Funds, P.O. Box 5354, Cincinnati, Ohio 45201-5354.

**By Overnight Mail** Nationwide Funds, 303 Broadway, Suite 900, Cincinnati, Ohio 45202.

**By Fax** 800-421-2182.

## INVESTING WITH NATIONWIDE FUNDS (cont.)

### Fund Transactions—Class A, Class B, and Class C Shares

All transaction orders must be received by the Funds' transfer agent or an authorized intermediary prior to the calculation of each Fund's net asset value (NAV) to receive that day's NAV.

#### How to Buy Shares

**Be sure to specify the class of shares you wish to purchase. Each Fund may reject any order to buy shares and may suspend the sale of shares at any time.**

**Through an authorized intermediary.** The Distributor has relationships with certain brokers and other financial intermediaries who are authorized to accept purchase, exchange and redemption orders for the Funds. Your transaction is processed at the NAV next calculated after the Funds' agent or an authorized intermediary receives your order in proper form.

**By mail.** Complete an application and send with a check made payable to: Nationwide Funds. Payment must be made in U.S. dollars and drawn on a U.S. bank. *The Funds do not accept cash, starter checks, third-party checks, travelers' checks, cashier checks, credit card checks or money orders.*

**By telephone.** You will have automatic telephone privileges unless you decline this option on your application. The Funds follow procedures to confirm that telephone instructions are genuine and will not be liable for any loss, injury, damage or expense that results from executing such instructions. The Funds may revoke telephone privileges at any time, without notice to shareholders.

**On-line.** Transactions may be made through the Nationwide Funds' website. However, the Funds may discontinue on-line transactions of Fund shares at any time.

**By bank wire.** You may have your bank transmit funds by federal funds wire to the Funds' custodian bank. (The authorization will be in effect unless you give the Funds written notice of its termination.)

- if you choose this method to open a new account, you must call our toll-free number before you wire your investment and arrange to fax your completed application.
- your bank may charge a fee to wire funds.
- the wire must be received by 4:00 p.m. in order to receive the current day's NAV.

**By Automated Clearing House (ACH).** You can fund your Nationwide Funds' account with proceeds from your bank via ACH on the second business day after your purchase order has been processed. A voided check must be attached to your application. Money sent through ACH typically reaches Nationwide Funds from your bank in two business days. There is no fee for this service. (The authorization will be in effect unless you give the Funds written notice of its termination.)

**Retirement plan participants** should contact their retirement plan administrator regarding transactions. Retirement plans or their administrators wishing to conduct transactions should call our toll-free number. Eligible entities or individuals wishing to conduct transactions in Institutional Service Class or Institutional Class shares should call our toll-free number.

#### How to Exchange\* or Sell\*\* Shares

**\* Exchange privileges may be amended or discontinued upon 60-days written notice to shareholders.**

**\*\*A medallion signature guarantee may be required. See "Medallion Signature Guarantee" below.**

**Through an authorized intermediary.** The Distributor has relationships with certain brokers and other financial intermediaries who are authorized to accept purchase, exchange and redemption orders for the Funds. Your transaction is processed at the NAV next calculated after the Funds' agent or an authorized intermediary receives your order in proper form.

**By mail or fax.** You may request an exchange or redemption by mailing or faxing a letter to Nationwide Funds. The letter must include your account number(s) and the name(s) of the Fund(s) you wish to exchange from and to. The letter must be signed by all account owners. We reserve the right to request original documents for any faxed requests.

**By telephone.** You will have automatic telephone privileges unless you decline this option on your application. The Funds follow procedures to confirm that telephone instructions are genuine and will not be liable for any loss, injury, damage or expense that results from executing such instructions. The Funds may revoke telephone privileges at any time, without notice to shareholders.

**Additional information for selling shares.** A check made payable to the shareholder(s) of record will be mailed to the address of record.

The Funds may record telephone instructions to redeem shares and may request redemption instructions in writing, signed by all shareholders on the account.

**On-line.** Transactions may be made through the Nationwide Funds' website. However, the Funds may discontinue on-line transactions of Fund shares at any time.

**By bank wire.** The Funds can wire the proceeds of your redemption directly to your account at a commercial bank. A voided check must be attached to your application. (The authorization will be in effect unless you give the Funds written notice of its termination.)

- your proceeds typically will be wired to your bank on the next business day after your order has been processed.
- Nationwide Funds deducts a \$20 service fee from the redemption proceeds for this service.
- your financial institution may also charge a fee for receiving the wire.
- funds sent outside the U.S. may be subject to higher fees.

**Bank wire is not an option for exchanges.**

**By Automated Clearing House (ACH).** Your redemption proceeds can be sent to your bank via ACH on the second business day after your order has been processed. A voided check must be attached to your application. Money sent through ACH should reach your bank in two business days. There is no fee for this service. (The authorization will be in effect unless you give the Funds written notice of its termination.)

**ACH is not an option for exchanges.**

**Retirement plan participants** should contact their retirement plan administrator regarding transactions. Retirement plans or their administrators wishing to conduct transactions should call our toll-free number. Eligible entities or individuals wishing to conduct transactions in Institutional Service Class or Institutional Class shares should call our toll-free number.

## INVESTING WITH NATIONWIDE FUNDS *(cont.)*

### Buying Shares

#### Share Price

The net asset value or "NAV" is the value of a single share. A separate NAV is calculated for each share class of a Fund. The NAV is:

- calculated at the close of regular trading (usually 4 p.m. Eastern Time) each day the New York Stock Exchange is open and
- generally determined by dividing the total net market value of the securities and other assets owned by a Fund allocated to a particular class, less the liabilities allocated to that class, by the total number of outstanding shares of that class.

The purchase or "offering" price for Fund shares is the NAV (for a particular class) next determined after the order is received by a Fund or its agent, plus any applicable sales charge. Each Fund may reject any order to buy shares and may suspend the sale of shares at any time.

#### Fair Valuation

The Board of Trustees has adopted Valuation Procedures governing the method by which individual portfolio securities held by the Funds are valued in order to determine each Fund's NAV. The Valuation Procedures provide that each Fund's assets are valued primarily on the basis of market quotations. Where such market quotations are either unavailable or are deemed by the Adviser to be unreliable, a Fair Valuation Committee, consisting of employees of the Adviser, meets to determine a manual "fair valuation" in accordance with the Valuation Procedures. In addition, the Fair Valuation Committee will "fair value" securities whose value is affected by a "significant event." Pursuant to the Valuation Procedures, any "fair valuation" decisions are subject to the review of the Board of Trustees.

A "significant event" is defined by the Valuation Procedures as an event that materially affects the value of a domestic or foreign security that occurs after the close of the principal market on which such security trades but before the calculation of a Fund's NAV. Significant events that could affect individual portfolio securities may include corporate actions such as reorganizations, mergers and buy-outs, corporate announcements on earnings, significant litigation, regulatory news such as government approvals and news relating to natural disasters affecting an issuer's operations. Significant events that could affect a large number of securities in a particular market may include significant market fluctuations, market disruptions or market closings, governmental actions or other developments, or natural disasters or armed conflicts that affect a country or region.

Due to the time differences between the closings of the relevant foreign securities exchanges and the time that a Fund's NAV is calculated, a Fund may fair value its foreign investments more frequently than it does other securities.

When fair value prices are utilized, these prices will attempt to reflect the impact of the financial markets' perceptions and trading activities on a Fund's foreign investments since the last closing prices of the foreign investments were calculated on their primary foreign securities markets or exchanges. For these purposes, the Board of Trustees has determined that movements in relevant indices or other appropriate market indicators, after the close of the foreign securities exchanges, may demonstrate that market quotations are unreliable, and may trigger fair value pricing for certain securities. Consequently, fair value pricing of foreign securities may occur on a daily basis, for instance, using data furnished by an independent pricing service that draws upon, among other information, the market values of foreign investments. Therefore, the fair values assigned to a Fund's foreign investments may not be the quoted or published prices of the investments on their primary markets or exchanges. Because certain of the securities in which the Nationwide Bond Index Fund and the Nationwide International Index Fund may invest may trade on days when the Funds do not price their shares, the NAV of the Funds' shares may change on days when shareholders will not be able to purchase or redeem their shares.

By fair valuing a security whose price may have been affected by significant events or by news after the last market pricing of the security, each Fund attempts to establish a price that it might reasonably expect to receive upon the current sale of that security. These procedures are intended to help ensure that the prices at which a Fund's shares are purchased and redeemed are fair, and do not result in dilution of shareholder interests or other harm to shareholders. In the event a Fund values its securities using the procedures described above, the Fund's NAV may be higher or lower than would have been the case if the Fund had not used its Valuation Procedures.

#### In-Kind Purchases

Each Fund may accept payment for shares in the form of securities that are permissible investments for the Fund.

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The Funds do not calculate NAV on days when the New York Stock Exchange is closed.

- New Year's Day
  - Martin Luther King, Jr. Day
  - Presidents' Day
  - Good Friday
  - Memorial Day
  - Independence Day
  - Labor Day
  - Thanksgiving Day
  - Christmas Day
  - Other days when the New York Stock Exchange is closed.
-

## INVESTING WITH NATIONWIDE FUNDS *(cont.)*

### Minimum Investments

#### Class A, Class B\* and Class C Shares

To open an account	\$2,000 (per Fund)
To open an IRA account	\$1,000 (per Fund)
Additional investments	\$100 (per Fund)
To start an Automatic Asset Accumulation Plan	\$1,000 (per Fund)
Additional Investments (Automatic Asset Accumulation Plan)	\$50

#### Class R2 Shares

To open an account	No Minimum
Additional investments	No Minimum

#### Institutional Service Class Shares

To open an account	\$50,000 (per Fund)
Additional investments	No Minimum

#### Institutional Class Shares

To open an account	\$1,000,000 (per Fund)
Additional investments	No Minimum

#### Service Class Shares

To open an account	\$25,000 (per Fund)
Additional investments	No Minimum

Minimum investment requirements do not apply to purchases by employees of the Adviser or its affiliates (or to their spouses, children or immediate relatives), or to certain retirement plans, fee-based programs or omnibus accounts. If you purchase shares through an intermediary, different minimum account requirements may apply. The Distributor reserves the right to waive the investment minimums under certain circumstances.

\* Class B shares are closed to new investors.

### Customer Identification Information

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens a new account, and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations.

As a result, unless such information is collected by the broker-dealer or financial intermediary pursuant to an agreement, the Funds must obtain the following information for each person that opens a new account:

- name;
- date of birth (for individuals);
- residential or business street address (although post office boxes are still permitted for mailing) and
- Social Security number, taxpayer identification number or other identifying number.

You may also be asked for a copy of your driver's license, passport or other identifying document in order to verify your identity. In addition, it may be necessary to verify your identity by cross-referencing your identification information with a consumer report or other electronic database. Additional information may be required to open accounts for corporations and other entities. Federal law prohibits the Funds and other financial institutions from opening a new account unless they receive the minimum identifying information listed above. After an account is opened, the Funds may restrict your ability to purchase additional shares until your identity is verified. The Funds may close your account or take other appropriate action if they are unable to verify your identity within a reasonable time. If your account is closed for this reason, your shares will be redeemed at the NAV next calculated after the account is closed.

### Accounts with Low Balances

Maintaining small accounts is costly for the Funds and may have a negative effect on performance. Shareholders are encouraged to keep their accounts above each Fund's minimum.

- If the value of your account falls below \$2,000 (\$1,000 for IRA accounts), you are generally subject to a \$5 quarterly fee. Shares from your account are redeemed each quarter to cover the fee, which is returned to the Fund to offset small account expenses. Under some circumstances, a Fund may waive the quarterly fee.
- Each Fund reserves the right to redeem your remaining shares and close your account if a redemption of shares brings the value of your account below \$2,000 (\$1,000 for IRA accounts). In such cases, you will be notified and given 60 days to purchase additional shares before the account is closed.

### Exchanging Shares

You may exchange your Fund shares for shares of any Nationwide Fund that is currently accepting new investments as long as:

- both accounts have the same registration;
- your first purchase in the new fund meets its minimum investment requirement and
- you purchase the same class of shares. For example, you may exchange between Class A shares of any Nationwide Fund, but may not exchange between Class A shares and Class B shares.

The exchange privileges may be amended or discontinued upon 60 days written notice to shareholders.

Generally, there are no sales charges for exchanges of Class B, Class C, Class R2, Institutional Class or Institutional Service Class shares. However,

## INVESTING WITH NATIONWIDE FUNDS *(cont.)*

- if you exchange from Class A shares of a Fund to a fund with a higher sales charge, you may have to pay the difference in the two sales charges.
- if you exchange Class A shares that are subject to a CDSC, and then redeem those shares within 18 months of the original purchase, the CDSC applicable to the original purchase is charged.

For purposes of calculating a CDSC, the length of ownership is measured from the date of original purchase and is not affected by any permitted exchange (except exchanges to the Nationwide Money Market Fund).

### Exchanges into the Nationwide Money Market Fund

You may exchange between Institutional Class shares of the Funds and Institutional Class shares of the Nationwide Money Market Fund, and between Service Class shares of the Funds and Service Class shares of the Nationwide Money Market Fund. You may exchange between all other share classes of the Funds and the Prime Shares of the Nationwide Money Market Fund. If your original investment was in Prime Shares, any exchange of Prime Shares you make for Class A, Class D, Class B or Class C shares of another Fund may require you to pay the sales charge applicable to such new shares. In addition, if you exchange shares subject to a CDSC, the length of time you own Prime Shares of the Nationwide Money Market Fund is not included for purposes of determining the CDSC. Redemptions from the Nationwide Money Market Fund are subject to any CDSC that applies to the original purchase.

### Selling Shares

You can sell or, in other words, redeem your Fund shares at any time, subject to the restrictions described below. The price you receive when you redeem your shares is the NAV (minus any applicable sales charges or redemption fee) next determined after a Fund's authorized intermediary or an agent of the Fund receives your properly completed redemption request. The value of the shares you redeem may be worth more or less than their original purchase price, depending on the market value of the Fund's investments at the time of the redemption.

You may not be able to redeem your Fund shares or the Funds may delay paying your redemption proceeds if:

- the New York Stock Exchange is closed (other than customary weekend and holiday closings);
- trading is restricted or
- an emergency exists (as determined by the Securities and Exchange Commission).

Generally, a Fund will pay you for the shares that you redeem within three days after your redemption request is received. Payment for shares that you recently purchased may be delayed up to 10 business days from the purchase date to allow time for your payment to clear. A Fund may

delay forwarding redemption proceeds for up to seven days if the account holder:

- is engaged in excessive trading or
- if the amount of the redemption request would disrupt efficient portfolio management or adversely affect the Fund.

If you choose to have your redemption proceeds mailed to you and the redemption check is returned as undeliverable or is not presented for payment within six months, the Funds reserve the right to reinvest the check proceeds and future distributions in the shares of the particular Fund at the Fund's then-current NAV until you give the Funds different instructions.

Under extraordinary circumstances, a Fund, in its sole discretion, may elect to honor redemption requests by transferring some of the securities held by the Fund directly to an account holder as a redemption in-kind. For more about Nationwide Funds' ability to make a redemption in-kind, see the SAI.

The Board of Trustees has adopted procedures for redemptions in-kind of affiliated persons of a Fund. Affiliated persons of a Fund include shareholders who are affiliates of the Adviser and shareholders of a Fund owning 5% or more of the outstanding shares of that Fund. These procedures provide that a redemption in-kind shall be effected at approximately the affiliated shareholder's proportionate share of the Fund's current net assets, and are designed so that such redemptions will not favor the affiliated shareholder to the detriment of any other shareholder.

### Automatic Withdrawal Program

You may elect to automatically redeem Class A, Class B and Class C shares in a minimum amount of \$50. Complete the appropriate section of the Mutual Fund Application for New Accounts or contact your financial intermediary or the Funds' transfer agent. Your account value must meet the minimum initial investment amount at the time the program is established. This program may reduce, and eventually deplete, your account. Generally, it is not advisable to continue to purchase Class A or Class C shares subject to a sales charge while redeeming shares using this program. An automatic withdrawal plan for Class C shares will be subject to any applicable CDSC. If you own Class B shares, you will not be charged a CDSC on redemptions if you redeem 12% or less of your account value in a single year. More information about the waiver of the CDSC for Class B shares is located in the SAI.

## INVESTING WITH NATIONWIDE FUNDS *(cont.)*

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### Medallion Signature Guarantee

A medallion signature guarantee is required for redemptions of shares of the Funds in any of the following instances:

- your account address has changed within the last 30 calendar days;
- the redemption check is made payable to anyone other than the registered shareholder;
- the proceeds are mailed to any address other than the address of record or
- the redemption proceeds are being wired or sent by ACH to a bank for which instructions currently are not on your account.

A medallion signature guarantee is a certification by a bank, brokerage firm or other financial institution that a customer's signature is valid. Medallion signature guarantees can be provided by members of the Securities Transfer Agents Medallion Program, a signature guarantee program recognized by the financial industry. We reserve the right to require a medallion signature guarantee in other circumstances, without notice.

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### Excessive or Short-Term Trading

The Nationwide Funds seek to discourage excessive or short-term trading (often described as "market timing"). Excessive trading (either frequent exchanges between Nationwide Funds or redemptions and repurchases of Nationwide Funds within a short time period) may:

- disrupt portfolio management strategies;
- increase brokerage and other transaction costs and
- negatively affect fund performance.

Each Fund may be more or less affected by short-term trading in Fund shares, depending on various factors such as the size of the Fund, the amount of assets the Fund typically maintains in cash or cash equivalents, the dollar amount, number and frequency of trades in Fund shares and other factors. A Fund that invests in foreign securities may be at greater risk for excessive trading. Investors may attempt to take advantage of anticipated price movements in securities held by a Fund based on events occurring after the close of a foreign market that may not be reflected in a Fund's NAV (referred to as "arbitrage market timing"). Arbitrage market timing may also be attempted in funds that hold significant investments in small-cap securities, high-yield (junk) bonds and other types of investments that may not be frequently traded. There is the possibility that arbitrage market timing, under certain circumstances, may dilute the value of Fund shares if redeeming shareholders receive proceeds (and buying shareholders receive shares) based on NAVs that do not reflect appropriate fair value prices. The Board of Trustees has adopted and implemented the following

policies and procedures to detect, discourage and prevent excessive or short-term trading in the Funds:

### Monitoring of Trading Activity

The Funds, through the Adviser, its subadvisers and its agents, monitor selected trades and flows of money in and out of the Funds in an effort to detect excessive short-term trading activities. If a shareholder is found to have engaged in excessive short-term trading, the Funds may, at their discretion, ask the shareholder to stop such activities or refuse to process purchases or exchanges in the shareholder's account.

### Restrictions on Transactions

Whenever a Fund is able to identify short-term trades and/or traders, such Fund has broad authority to take discretionary action against market timers and against particular trades and uniformly will apply the short-term trading restrictions to all such trades that the Fund identifies. It also has sole discretion to:

- restrict purchases or exchanges that the Fund or its agents believe constitute excessive trading and
- reject transactions that violate the Fund's excessive trading policies or its exchange limits.

Each Fund also has implemented redemption and exchange fees to certain accounts to discourage excessive trading and to help offset the expense of such trading.

In general:

- an exchange equaling 1% or more of a Fund's NAV may be rejected and
- redemption and exchange fees are imposed on certain Nationwide Funds. These Nationwide Funds may assess either a redemption fee if you redeem your Fund shares or an exchange fee if you exchange your Fund shares into another Nationwide Fund. The short-term trading fees are deducted from the proceeds of the redemption of the affected Fund shares.

### Fair Valuation

The Funds have fair value pricing procedures in place as described above in "Investing with Nationwide Funds: Fair Valuation."

Despite its best efforts, a Fund may be unable to identify or deter excessive trades conducted through intermediaries or omnibus accounts that transmit aggregate purchase, exchange and redemption orders on behalf of their customers. In short, a Fund may not be able to prevent all market timing and its potential negative impact.

## INVESTING WITH NATIONWIDE FUNDS (cont.)

### Exchange and Redemption Fees

In order to discourage excessive trading, the Nationwide Funds impose exchange and redemption fees on shares held in certain types of accounts. If you redeem or exchange your shares in such an account within a designated holding period, the redemption fee is paid directly to the fund from which the shares are being redeemed and is designed to offset brokerage commissions, market impact and other costs associated with short-term trading of fund shares. For purposes of determining whether a redemption fee applies to an affected account, shares that were held the longest are redeemed first. If you exchange assets into a fund with a redemption/exchange fee, a new period begins at the time of the exchange.

Redemption and exchange fees do not apply to:

- shares redeemed or exchanged under regularly scheduled withdrawal plans;
- shares purchased through reinvested dividends or capital gains;
- shares redeemed (or exchanged into the Nationwide Money Market Fund) following the death or disability of a shareholder. The disability, determination of disability and subsequent redemption must have occurred during the period the fee applied;
- shares redeemed in connection with mandatory withdrawals from traditional IRAs after age 70½ and other required distributions from retirement accounts;
- shares redeemed or exchanged from retirement accounts within 30 days of an automatic payroll deduction or
- shares redeemed or exchanged by any fund of funds that is affiliated with a Fund.

With respect to shares redeemed or exchanged following the death or disability of a shareholder, mandatory retirement plan distributions or redemption within 30 calendar days of an automatic payroll deduction, you must inform the Funds' transfer agent or your intermediary that the fee does not apply. You may be required to show evidence that you qualify for the exception. Redemption and exchange fees will be assessed unless or until the Funds are notified that an account is exempt.

Only certain intermediaries have agreed to collect the exchange and redemption fees from their customer accounts. In addition, the fees do not apply to certain types of accounts held through intermediaries, including certain:

- broker wrap fee and other fee-based programs;
- qualified retirement plan accounts;
- omnibus accounts where there is no capability to impose a redemption fee on underlying customers' accounts and
- intermediaries that do not or cannot report sufficient information to impose a redemption fee on their customer accounts.

To the extent that exchange and redemption fees cannot be collected on particular transactions and excessive trading occurs, the remaining Fund shareholders bear the expense of such frequent trading.

The following Nationwide Funds may assess the fee listed below on the total value of shares that are redeemed or exchanged if you have held the shares of the fund for less than the minimum holding period listed below:

Fund	Exchange/ Redemption Fee	Minimum Holding Period (calendar days)
Nationwide International Value Fund	2.00%	90
Nationwide U.S. Small Cap Value Fund	2.00%	90
Nationwide Fund	2.00%	30
Nationwide Growth Fund	2.00%	30
Nationwide Large Cap Value Fund	2.00%	30
Nationwide Value Fund	2.00%	30
Nationwide Bond Fund	2.00%	7
Nationwide Bond Index Fund	2.00%	7
Nationwide Government Bond Fund	2.00%	7
Nationwide International Index Fund	2.00%	7
Nationwide Mid Cap Market Index Fund	2.00%	7
Nationwide S&P 500 Index Fund	2.00%	7
Nationwide Short Duration Bond Fund	2.00%	7
Nationwide Small Cap Index Fund	2.00%	7

### Additional Information about Fees and Expenses

The fees and expenses of the Funds that appear in the Fund Summaries are based on average annual net assets of the fiscal year ended October 31, 2009, and do not reflect any change in expense ratios resulting from a change in assets under management since October 31, 2009. A decline in a Fund's average net assets during the current fiscal year, as a result of market volatility or other factors, could cause a Fund's expense ratio to be higher than the fees and expenses shown in the applicable Fund Summary. Significant declines in a Fund's net assets will increase your Fund's total expense ratio, likely significantly. A Fund with a higher expense ratio means you could pay more if you buy or hold shares of the Fund. Annualized expense ratios for the fiscal year ended October 31, 2009 and the six months period ending April 30, 2010 will be available in each Fund's annual report and semi-annual report, respectively, which will be available on [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds).

## DISTRIBUTIONS AND TAXES

The following information is provided to help you understand the income and capital gains you may earn while you own Fund shares, as well as the federal income taxes you may have to pay. The amount of any distribution varies and there is no guarantee a Fund will pay either income dividends or capital gain distributions. For tax advice about your personal tax situation, please speak with your tax advisor.

### Income and Capital Gain Distributions

Each Fund intends to qualify each year as a regulated investment company under the Internal Revenue Code. As a regulated investment company, a Fund generally pays no federal income tax on the income and gains it distributes to you. The Nationwide Bond Index Fund expects to declare daily and distribute its net investment income, if any, to shareholders as dividends monthly. Each of the Nationwide International Index Fund, the Nationwide Mid Cap Index Fund, the Nationwide S&P 500 Index Fund and the Nationwide Small Cap Index Fund expects to declare and distribute its net investment income, if any, to shareholders as dividends quarterly. Capital gains, if any, may be distributed at least annually. A Fund may distribute income dividends and capital gains more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Fund. All income and capital gain distributions are automatically reinvested in shares of the applicable Fund. You may request in writing a payment in cash if the distribution is in excess of \$5.

If you choose to have dividends or capital gain distributions, or both, mailed to you and the distribution check is returned as undeliverable or is not presented for payment within six months, the Trust reserves the right to reinvest the check proceeds and future distributions in shares of the applicable Fund at the Fund's then-current NAV until you give the Trust different instructions.

### Tax Considerations

If you are a taxable investor, dividends and capital gain distributions you receive from a Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are subject to federal income tax, state taxes and possibly local taxes:

- distributions are taxable to you at either ordinary income or capital gains tax rates;
- distributions of short-term capital gains are paid to you as ordinary income that is taxable at applicable ordinary income tax rates;
- distributions of long-term capital gains are taxable to you as long-term capital gains no matter how long you have owned your Fund shares;
- a portion of the income dividends paid to individuals by a Fund with respect to taxable years beginning before January 1, 2011 (sunset date) may be qualified dividend

income eligible for long-term capital gains tax rates, provided that certain holding period requirements are met;

- for corporate shareholders, a portion of the income dividends paid may be eligible for the corporate dividend-received deduction, subject to certain limitations and
- distributions declared in December to shareholders of record in such month, but paid in January, are taxable as if they were paid in December.

The amount and type of income dividends and the tax status of any capital gains distributed to you are reported on Form 1099-DIV, which is sent to you annually during tax season (unless you hold your shares in a qualified tax-deferred plan or account or are otherwise not subject to federal income tax). A Fund may reclassify income after your tax reporting statement is mailed to you. This can result from the rules in the Internal Revenue Code that effectively prevent mutual funds, such as the Funds, from ascertaining with certainty, until after the calendar year end, and in some cases a Fund's fiscal year end, the final amount and character of distributions the Fund has received on its investments during the prior calendar year. Prior to issuing your statement, each Fund makes every effort to search for reclassified income to reduce the number of corrected forms mailed to shareholders. However, when necessary, the Fund will send you a corrected Form 1099-DIV to reflect reclassified information.

Distributions from the Funds (both taxable dividends and capital gains) are normally taxable to you when made, regardless of whether you reinvest these distributions or receive them in cash (unless you hold your shares in a qualified tax-deferred plan or account or are otherwise not subject to federal income tax).

If you are a taxable investor and invest in a Fund shortly before it makes a capital gain distribution, some of your investment may be returned to you in the form of a taxable distribution. This is commonly known as "buying a dividend."

If the Nationwide International Index Fund qualifies to pass through to you the tax benefits from foreign taxes it pays on its investments, and elects to do so, then any foreign taxes it pays on these investments may be passed through to you pro rata as a foreign tax credit.

### Selling and Exchanging Shares

Selling your shares may result in a realized capital gain or loss, which is subject to federal income tax. For tax purposes, an exchange from one Nationwide Fund to another is the same as a sale. For individuals, any long-term capital gains you realize from selling Fund shares are taxed at a maximum rate of 15% (or 0% for individuals in the 10% and 15% federal income tax rate brackets). Short-term capital gains are taxed at ordinary income tax rates. You or your tax advisor should track your purchases, tax basis, sales and any resulting gain or loss. If you redeem Fund shares for a loss,

## DISTRIBUTIONS AND TAXES *(cont.)*

you may be able to use this capital loss to offset any other capital gains you have.

### Other Tax Jurisdictions

Distributions and gains from the sale or exchange of your Fund shares may be subject to state and local taxes, even if not subject to federal income taxes. State and local tax laws vary; please consult your tax advisor. Non-U.S. investors may be subject to U.S. withholding at a 30% or lower treaty tax rate and U.S. estate tax and are subject to special U.S. tax certification requirements to avoid backup withholding and claim any treaty benefits. Exemptions from U.S. withholding tax are provided for capital gain dividends paid by a Fund from long-term capital gains and, with respect to taxable years of a Fund that begin before January 1, 2010 (unless such sunset date is extended, possibly retroactively to January 1, 2010, or made permanent), interest-related dividends paid by a Fund from its qualified net interest income from U.S. sources and short-term capital gain dividends. However, notwithstanding such exemptions from U.S. withholding at the source, any such dividends and distributions of income and capital gains will be subject to backup withholding at a rate of 28% if you fail to properly certify that you are not a U.S. person.

### Tax Status for Retirement Plans and Other Tax-Deferred Accounts

When you invest in a Fund through a qualified employee benefit plan, retirement plan or some other tax-deferred account, income dividends and capital gain distributions generally are not subject to current federal income taxes. In general, these plans or accounts are governed by complex tax rules. You should ask your tax advisor or plan administrator for more information about your tax situation, including possible state or local taxes.

### Backup Withholding

By law, you may be subject to backup withholding on a portion of your taxable distributions and redemption proceeds unless you provide your correct Social Security or taxpayer identification number and certify that (1) this number is correct, (2) you are not subject to backup withholding, and (3) you are a U.S. person (including a U.S. resident alien). You also may be subject to withholding if the Internal Revenue Service instructs us to withhold a portion of your distributions and proceeds. When withholding is required, the amount is 28% of any distributions or proceeds paid.

**This discussion of “Distributions and Taxes” is not intended or written to be used as tax advice. Because everyone’s tax situation is unique, you should consult your tax advisor about federal, state, local or foreign tax consequences before making an investment in the Funds.**

## MULTI-MANAGER STRUCTURE

The Adviser and the Trust have received an exemptive order from the U.S. Securities and Exchange Commission for a multi-manager structure that allows the Adviser to hire, replace or terminate a subadviser (excluding hiring a subadviser which is an affiliate of the Adviser) without the approval of shareholders. The order also allows the Adviser to revise a subadvisory agreement with an unaffiliated subadviser with the approval of the Board of Trustees but without shareholder approval. If a new unaffiliated subadviser is hired for a Fund, shareholders will receive information about the new subadviser within 90 days of the change. The exemptive order allows the Funds greater flexibility, enabling them to operate more efficiently.

The Adviser performs the following oversight and evaluation services to the Funds:

- initial due diligence on prospective Fund subadvisers;
- monitoring subadviser performance, including ongoing analysis and periodic consultations;
- communicating performance expectations and evaluations to the subadvisers and
- making recommendations to the Board of Trustees regarding renewal, modification or termination of a subadviser's contract.

The Adviser does not expect to frequently recommend subadviser changes. Where the Adviser does recommend subadviser changes, the Adviser periodically provides written reports to the Board of Trustees regarding its evaluation and monitoring of the subadviser. Although the Adviser monitors the subadviser's performance, there is no certainty that any subadviser or Fund will obtain favorable results at any given time.

## FINANCIAL HIGHLIGHTS: NATIONWIDE BOND INDEX FUND

The financial highlights tables are intended to help you understand the Funds' financial performance for the past five years ended October 31 or, if a Fund or a class has not been in operation for five years, for the life of that Fund or class. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned (or lost) on an investment in a Fund (assuming reinvestment of all dividends and distributions and no sales charges). Information has been audited by PricewaterhouseCoopers LLP, whose report, along with the Funds' financial statements, is included in the Trust's annual reports, which are available upon request.

### Selected Data for Each Share of Capital Outstanding

	Operations				Distributions				Ratios / Supplemental Data						
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Operations	Net Investment Income	Net Realized Gains	Total Distributions	Redemption Fees	Net Asset Value, End of Period	Total Return (a)(b)	Net Assets at End of Period	Ratio of Expenses to Average Net Assets (c)	Ratio of Investment Income to Average Net Assets (c)	Ratio of Expenses (Prior to Reimbursements) to Average Net Assets (c)(d)	Portfolio Turnover (e)
<b>Class A Shares</b>															
Year Ended October 31, 2009 (f)	\$1033	042	087	129	(042)	—	(042)	—	\$1120	12.63%	\$ 135,482,548	074%	3.87%	0.82%	338.41% (h)
Year Ended October 31, 2008 (f)	\$1082	048	(049)	(001)	(048)	—	(048)	—	\$1033	(0.23%)	\$ 94,526,053	066%	4.41%	073%	123.88%
Year Ended October 31, 2007 (f)	\$1081	049	001	050	(049)	—	(049)	—	\$1082	4.77%	\$ 66,184,484	073%	4.60%	077%	164.97%
Year Ended October 31, 2006	\$1077	044	004	048	(044)	—	(044)	—	\$1081	4.59%	\$ 44,444,115	071%	4.15%	075%	113.91%
Year Ended October 31, 2005	\$1113	041	(034)	007	(041)	(001)	(043)	—	\$1077	0.56%	\$ 42,125,615	071%	3.74%	077%	153.31%
<b>Class B Shares</b>															
Year Ended October 31, 2009 (f)	\$1032	036	086	122	(035)	—	(035)	001	\$1120	12.06%	\$ 504,801	134%	3.27%	141%	338.41% (h)
Year Ended October 31, 2008 (f)	\$1082	041	(050)	(009)	(041)	—	(041)	—	\$1032	(0.94%)	\$ 371,489	129%	3.80%	137%	123.88%
Year Ended October 31, 2007 (f)	\$1081	043	001	044	(043)	—	(043)	—	\$1082	4.15%	\$ 25,2812	133%	4.01%	137%	164.97%
Year Ended October 31, 2006	\$1077	038	004	042	(038)	—	(038)	—	\$1081	3.96%	\$ 181,099	132%	3.56%	136%	113.91%
Year Ended October 31, 2005	\$1113	033	(033)	—	(035)	(001)	(036)	—	\$1077	(0.04%)	\$ 217,526	131%	3.18%	137%	153.31%
<b>Class C Shares</b>															
Year Ended October 31, 2009 (f)	\$1033	036	086	122	(035)	—	(035)	—	\$1120	11.97%	\$ 194,428	132%	3.29%	141%	338.41% (h)
Year Ended October 31, 2008 (f)	\$1082	041	(049)	(008)	(041)	—	(041)	—	\$1033	(0.87%)	\$ 159,582	130%	3.77%	137%	123.88%
Year Ended October 31, 2007 (f)	\$1081	041	002	043	(041)	—	(041)	—	\$1082	4.11%	\$ 62,803	133%	3.99%	138%	164.97%
Period Ended October 31, 2006 (g)	\$1088	023	013	036	(023)	—	(023)	—	\$1081	3.43%	\$ 5,172	131%	3.73%	138%	113.91%
<b>Institutional Class Shares</b>															
Year Ended October 31, 2009 (f)	\$1031	047	087	134	(046)	—	(046)	—	\$1119	13.22%	\$ 923,856,645	032%	4.29%	041%	338.41% (h)
Year Ended October 31, 2008 (f)	\$1081	052	(050)	002	(052)	—	(052)	—	\$1031	0.03%	\$ 776,538,757	032%	4.78%	037%	123.88%
Year Ended October 31, 2007 (f)	\$1080	055	—	055	(054)	—	(054)	—	\$1081	5.19%	\$1,047,851,490	032%	4.99%	035%	164.97%
Year Ended October 31, 2006	\$1077	048	003	051	(048)	—	(048)	—	\$1080	4.91%	\$2,036,325,317	032%	4.57%	036%	113.91%
Year Ended October 31, 2005	\$1113	045	(034)	011	(046)	(001)	(047)	—	\$1077	0.97%	\$1,470,683,458	031%	4.14%	037%	153.31%

Amounts designated as "—" are zero or have been rounded to zero.

- Excludes sales charge.
- Not annualized for periods less than one year.
- Annualized for periods less than one year.
- During the period certain fees may have been waived and/or reimbursed. If such waivers/reimbursements had not occurred, the ratios would have been as indicated.
- Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing among the classes of shares.
- Per share calculations were performed using average shares method.
- For the period from March 29, 2006 (commencement of operations) through October 31, 2006.
- The amount shown includes the effect of mortgage dollar roll transactions while the prior year amounts did not include the effect of mortgage dollar roll transactions. In the prior years, had mortgage dollar roll transactions been included, the portfolio turnover would have increased.

## FINANCIAL HIGHLIGHTS: NATIONWIDE INTERNATIONAL INDEX FUND

## Selected Data for Each Share of Capital Outstanding

	Operations				Distributions				Ratios / Supplemental Data						
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Operations	Net Investment Income	Net Realized Gains	Total Distributions	Redemption Fees	Net Asset Value, End of Period	Total Return (a)(b)	Net Assets at End of Period	Ratio of Expenses to Average Net Assets (c)	Ratio of Investment Income to Average Net Assets (c)	Ratio of Net Expenses (Prior to Reimbursements) to Average Net Assets (c)(d)	Portfolio Turnover (e)
<b>Class A Shares</b>															
Year Ended October 31, 2009 (f)	\$ 633	0.15	1.19	1.34	(0.19)	(0.63)	(0.82)	-	\$ 6.85	245.0%	\$ 349,861,598	0.79%	25.2%	0.87%	11.22%
Year Ended October 31, 2008 (f)	\$12.60	0.24	(5.86)	(5.62)	(0.33)	(0.32)	(0.65)	-	\$ 6.33	(46.65%)	\$ 256,105,481	0.73%	25.3%	0.79%	12.76%
Year Ended October 31, 2007 (f)	\$10.59	0.24	2.32	2.56	(0.25)	(0.30)	(0.55)	-	\$12.60	249.1%	\$ 232,958,284	0.79%	22.7%	0.81%	6.15%
Year Ended October 31, 2006	\$ 8.69	0.16	2.11	2.27	(0.12)	(0.25)	(0.37)	-	\$10.59	268.9%	\$ 103,403,038	0.76%	19.9%	0.80%	8.66%
Year Ended October 31, 2005	\$ 7.63	0.16	1.18	1.34	(0.20)	(0.08)	(0.28)	-	\$ 8.69	178.3%	\$ 40,558,775	0.76%	18.1%	0.83%	12.24%
<b>Class B Shares</b>															
Year Ended October 31, 2009 (f)	\$ 622	0.11	1.16	1.27	(0.16)	(0.63)	(0.79)	-	\$ 6.70	237.9%	\$ 401,295	1.37%	19.3%	1.45%	11.22%
Year Ended October 31, 2008 (f)	\$12.39	0.23	(5.81)	(5.58)	(0.27)	(0.32)	(0.59)	-	\$ 6.22	(46.95%)	\$ 356,467	1.37%	21.8%	1.42%	12.76%
Year Ended October 31, 2007 (f)	\$10.42	0.18	2.27	2.45	(0.18)	(0.30)	(0.48)	-	\$12.39	241.8%	\$ 713,940	1.37%	16.2%	1.39%	6.15%
Year Ended October 31, 2006	\$ 8.57	0.13	2.05	2.18	(0.08)	(0.25)	(0.33)	-	\$10.42	259.8%	\$ 604,517	1.37%	14.1%	1.41%	8.66%
Year Ended October 31, 2005	\$ 7.54	0.08	1.19	1.27	(0.16)	(0.08)	(0.24)	-	\$ 8.57	171.7%	\$ 395,925	1.36%	11.4%	1.43%	12.24%
<b>Class C Shares</b>															
Year Ended October 31, 2009 (f)	\$ 610	0.10	1.15	1.25	(0.16)	(0.63)	(0.79)	-	\$ 6.56	236.9%	\$ 645,429	1.37%	18.3%	1.45%	11.22%
Year Ended October 31, 2008 (f)	\$12.17	0.21	(5.69)	(5.48)	(0.27)	(0.32)	(0.59)	-	\$ 6.10	(46.98%)	\$ 724,073	1.37%	21.7%	1.42%	12.76%
Year Ended October 31, 2007 (f)	\$10.25	0.16	2.25	2.41	(0.19)	(0.30)	(0.49)	-	\$12.17	242.2%	\$ 1,665,407	1.37%	16.9%	1.39%	6.15%
Year Ended October 31, 2006	\$ 8.44	0.11	2.04	2.15	(0.09)	(0.25)	(0.34)	-	\$10.25	260.6%	\$ 639,287	1.37%	13.6%	1.41%	8.66%
Period Ended October 31, 2005 (g)	\$ 8.27	0.09	0.19	0.28	(0.11)	-	(0.11)	-	\$ 8.44	363%	\$ 151,484	1.36%	15.7%	1.43%	12.24%
<b>Class R2 Shares</b>															
Year Ended October 31, 2009 (f)	\$ 633	0.15	1.17	1.32	(0.18)	(0.63)	(0.81)	-	\$ 6.84	243.6%	\$ 5,427	0.87%	26.3%	0.95%	11.22%
Year Ended October 31, 2008 (f)	\$12.60	0.20	(5.83)	(5.63)	(0.32)	(0.32)	(0.64)	-	\$ 6.33	(46.67%)	\$ 6,038	0.85%	22.0%	0.88%	12.76%
Period Ended October 31, 2007 (f)(h)	\$10.96	0.21	1.57	1.78	(0.14)	-	(0.14)	-	\$12.60	163.9%	\$ 1,164	0.76%	28.2%	0.77%	6.15%
<b>Institutional Class Shares</b>															
Year Ended October 31, 2009 (f)	\$ 635	0.18	1.19	1.37	(0.22)	(0.63)	(0.85)	-	\$ 6.87	249.3%	\$1,110,329,399	0.37%	30.2%	0.45%	11.22%
Year Ended October 31, 2008 (f)	\$12.64	0.33	(5.93)	(5.60)	(0.37)	(0.30)	(0.69)	-	\$ 6.35	(46.44%)	\$1,031,290,587	0.37%	32.1%	0.42%	12.76%
Year Ended October 31, 2007 (f)	\$10.61	0.30	2.32	2.62	(0.29)	(0.30)	(0.59)	-	\$12.64	254.9%	\$2,425,067,894	0.37%	26.2%	0.39%	6.15%
Year Ended October 31, 2006	\$ 8.70	0.22	2.09	2.31	(0.15)	(0.25)	(0.40)	-	\$10.61	273.2%	\$1,900,802,330	0.37%	23.4%	0.41%	8.66%
Year Ended October 31, 2005	\$ 7.64	0.18	1.19	1.37	(0.23)	(0.08)	(0.31)	-	\$ 8.70	182.6%	\$1,320,671,391	0.36%	21.7%	0.43%	12.24%

Amounts designated as "—" are zero or have been rounded to zero.

- (a) Excludes sales charge.  
(b) Not annualized for periods less than one year.  
(c) Annualized for periods less than one year.  
(d) During the period certain fees may have been waived and/or reimbursed. If such waivers/reimbursements had not occurred, the ratios would have been as indicated.  
(e) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing among the classes of shares.  
(f) Per share calculations were performed using average shares method.  
(g) For the period from February 14, 2005 (commencement of operations) through October 31, 2005.  
(h) For the period from March 9, 2007 (commencement of operations) through October 31, 2007.

# FINANCIAL HIGHLIGHTS: NATIONWIDE MID CAP MARKET INDEX FUND

## Selected Data for Each Share of Capital Outstanding

	Operations			Distributions			Ratios / Supplemental Data								
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Operations	Net Investment Income	Net Realized Gains	Total Distributions	Redemption Fees	Net Asset Value, End of Period	Total Return (a)(b)	Net Assets at End of Period	Ratio of Expenses to Average Net Assets (c)	Ratio of Net Investment Income to Average Net Assets (c)	Ratio of Expenses (Prior to Reimbursements) to Average Net Assets (c)(d)	Portfolio Turnover (e)
<b>Class A Shares</b>															
Year Ended October 31, 2009 (h)	\$ 988	0.09	1.45	1.54	(0.08)	(0.51)	(0.59)	-	\$ 1083	17.23%	\$ 147,301,010	0.73%	1.01%	0.83%	19.20%
Year Ended October 31, 2008	\$1640	0.10	(5.91)	(5.81)	(0.08)	(0.63)	(0.71)	-	\$ 988	(36.87)%	\$ 124,032,623	0.69%	0.71%	0.74%	29.96%
Year Ended October 31, 2007	\$1564	0.17	2.22	2.39	(0.21)	(1.42)	(1.63)	-	\$1640	16.20%	\$ 218,928,364	0.74%	1.05%	0.77%	21.52%
Year Ended October 31, 2006	\$1468	0.17	1.63	1.80	(0.18)	(0.66)	(0.84)	-	\$1564	12.57%	\$ 192,273,970	0.71%	1.09%	0.76%	15.59%
Year Ended October 31, 2005	\$1289	0.12	2.04	2.16	(0.11)	(0.26)	(0.37)	-	\$1468	16.94%	\$ 150,304,580	0.70%	0.90%	0.77%	18.44%
<b>Class B Shares</b>															
Year Ended October 31, 2009 (h)	\$ 972	0.05	1.41	1.46	(0.04)	(0.51)	(0.55)	-	\$ 1063	16.73%	\$ 534,484	1.32%	0.51%	1.42%	19.20%
Year Ended October 31, 2008	\$1618	0.03	(5.84)	(5.81)	(0.02)	(0.63)	(0.65)	-	\$ 972	(37.29)%	\$ 576,888	1.32%	0.08%	1.38%	29.96%
Year Ended October 31, 2007	\$1545	0.08	2.19	2.27	(0.12)	(1.42)	(1.54)	-	\$1618	15.52%	\$ 1,000,821	1.32%	0.49%	1.36%	21.52%
Year Ended October 31, 2006	\$1450	0.07	1.63	1.70	(0.09)	(0.66)	(0.75)	-	\$1545	11.98%	\$ 995,088	1.32%	0.49%	1.37%	15.59%
Year Ended October 31, 2005	\$1275	0.03	2.01	2.04	(0.03)	(0.26)	(0.29)	-	\$1450	16.15%	\$ 884,018	1.31%	0.27%	1.38%	18.44%
<b>Class C Shares</b>															
Year Ended October 31, 2009 (h)	\$ 966	0.04	1.41	1.45	(0.04)	(0.51)	(0.55)	-	\$ 1056	16.63%	\$ 886,523	1.32%	0.46%	1.42%	19.20%
Year Ended October 31, 2008	\$1609	0.01	(5.79)	(5.78)	(0.02)	(0.63)	(0.65)	-	\$ 966	(37.31)%	\$ 852,181	1.32%	0.05%	1.37%	29.96%
Year Ended October 31, 2007	\$1538	0.08	2.18	2.26	(0.13)	(1.42)	(1.55)	-	\$1609	15.52%	\$ 1,230,151	1.32%	0.40%	1.36%	21.52%
Year Ended October 31, 2006	\$1446	0.07	1.62	1.69	(0.11)	(0.66)	(0.77)	-	\$1538	11.96%	\$ 794,122	1.32%	0.42%	1.37%	15.59%
Year Ended October 31, 2005	\$1274	0.02	2.01	2.03	(0.05)	(0.26)	(0.31)	-	\$1446	16.13%	\$ 224,692	1.31%	0.28%	1.39%	18.44%
<b>Class R2 Shares (f)</b>															
Year Ended October 31, 2009 (h)	\$ 988	0.08	1.44	1.52	(0.08)	(0.51)	(0.59)	-	\$ 1081	17.09%	\$ 811	0.91%	0.84%	1.01%	19.20%
Year Ended October 31, 2008	\$1639	0.11	(5.91)	(5.80)	(0.08)	(0.63)	(0.71)	-	\$ 988	(36.84)%	\$ 691	0.66%	0.74%	0.69%	29.96%
Period Ended October 31, 2007 (g)	\$1572	0.09	1.35	1.44	(0.18)	(0.59)	(0.77)	-	\$1639	9.40%	\$ 1,094	0.73%	0.74%	0.75%	21.52%
<b>Institutional Class Shares</b>															
Year Ended October 31, 2009 (h)	\$ 995	0.13	1.47	1.60	(0.12)	(0.51)	(0.63)	-	\$ 1092	17.77%	\$ 570,347,258	0.32%	1.39%	0.42%	19.20%
Year Ended October 31, 2008	\$1653	0.15	(5.96)	(5.81)	(0.14)	(0.63)	(0.77)	-	\$ 995	(36.69)%	\$ 439,027,150	0.32%	1.09%	0.37%	29.96%
Year Ended October 31, 2007	\$1575	0.23	2.24	2.47	(0.27)	(1.42)	(1.69)	-	\$1653	16.66%	\$ 724,960,103	0.32%	1.67%	0.35%	21.52%
Year Ended October 31, 2006	\$1477	0.22	1.65	1.87	(0.23)	(0.66)	(0.89)	-	\$1575	13.06%	\$ 1,108,038,965	0.32%	1.47%	0.37%	15.59%
Year Ended October 31, 2005	\$1296	0.17	2.06	2.23	(0.16)	(0.26)	(0.42)	-	\$1477	17.41%	\$ 857,474,583	0.31%	1.27%	0.38%	18.44%

Amounts designated as “-” are zero or have been rounded to zero.

- (a) Excludes sales charge.
- (b) Not annualized for periods less than one year.
- (c) Annualized for periods less than one year.
- (d) During the period certain fees may have been waived and/or reimbursed. If such waivers/reimbursements had not occurred, the ratios would have been as indicated.
- (e) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing among the classes of shares.
- (f) Effective February 28, 2009, Class R Shares were renamed Class R2 Shares.
- (g) For the period from March 9, 2007 (commencement of operations) through October 31, 2007.
- (h) Per Share calculations were performed using the average Shares method.

## Selected Data for Each Share of Capital Outstanding Throughout the Periods Indicated

	Operations				Distributions			Ratios / Supplemental Data							
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized Gains (Losses) from Investments	Total from Operations	Net Investment Income	Net Realized Gains	Total Distributions	Redemption Fees	Net Asset Value, End of Period	Total Return (a)(b)	Net Assets at End of Period	Ratio of Expenses to Average Net Assets (c)	Ratio of Net Investment Income (Loss) to Average Net Assets (c)	Ratio of Expenses (Prior to Reimbursements) to Average Net Assets (c)(d)	Portfolio Turnover (e)
<b>Class A Shares</b>															
Year Ended October 31, 2009 (h)	\$ 8.09	0.15	0.58	0.73	(0.16)	—	—	\$ 8.66	9.32%	\$ 91,782,717	0.52%	1.97%	0.60%	4.24%	
Year Ended October 31, 2008	\$13.13	0.19	(4.85)	(4.66)	(0.19)	(0.19)	(0.38)	\$ 8.09	(36.2%)	\$65,376,521	0.49%	1.71%	0.53%	10.51%	
Year Ended October 31, 2007	\$11.75	0.19	1.44	1.63	(0.20)	(0.05)	(0.25)	\$13.13	13.98%	\$84,794,405	0.49%	1.48%	0.51%	3.56%	
Year Ended October 31, 2006	\$10.36	0.16	1.47	1.63	(0.16)	(0.08)	(0.24)	\$11.75	15.90%	\$42,670,253	0.49%	1.46%	0.52%	2.63%	
Year Ended October 31, 2005	\$ 9.74	0.15	0.64	0.79	(0.17)	—	(0.17)	\$10.36	8.11%	\$24,805,311	0.50%	1.49%	0.56%	5.28%	
<b>Class B Shares</b>															
Year Ended October 31, 2009 (h)	\$ 8.05	0.10	0.57	0.67	(0.10)	—	(0.10)	\$ 8.62	8.53%	\$ 9974,577	1.23%	1.29%	1.31%	4.24%	
Year Ended October 31, 2008	\$13.07	0.10	(4.83)	(4.73)	(0.10)	(0.19)	(0.29)	\$ 8.05	(36.89%)	\$ 8,760,072	1.23%	0.96%	1.28%	10.51%	
Year Ended October 31, 2007	\$11.71	0.09	1.43	1.52	(0.11)	(0.05)	(0.16)	\$13.07	13.09%	\$12,040,325	1.23%	0.75%	1.25%	3.56%	
Year Ended October 31, 2006	\$10.33	0.08	1.46	1.54	(0.08)	(0.08)	(0.16)	\$11.71	15.01%	\$ 6,296,167	1.23%	0.75%	1.26%	2.63%	
Year Ended October 31, 2005	\$ 9.70	0.09	0.63	0.72	(0.09)	—	(0.09)	\$10.33	7.45%	\$ 5,707,020	1.23%	0.90%	1.28%	5.28%	
<b>Class C Shares</b>															
Year Ended October 31, 2009 (h)	\$ 8.00	(0.02)	0.69	0.67	(0.10)	—	(0.10)	\$ 8.57	8.62%	\$ 3,011,534	1.23%	(0.23%)	1.31%	4.24%	
Year Ended October 31, 2008	\$13.00	0.10	(4.81)	(4.71)	(0.10)	(0.19)	(0.29)	\$ 8.00	(36.95%)	\$ 2,311,273	1.23%	0.96%	1.28%	10.51%	
Year Ended October 31, 2007	\$11.65	0.10	1.42	1.52	(0.12)	(0.05)	(0.17)	\$13.00	13.11%	\$ 3,208,449	1.23%	0.74%	1.25%	3.56%	
Year Ended October 31, 2006	\$10.28	0.08	1.46	1.54	(0.09)	(0.08)	(0.17)	\$11.65	15.06%	\$ 1,422,512	1.23%	0.72%	1.26%	2.63%	
Year Ended October 31, 2005	\$ 9.67	0.08	0.64	0.72	(0.11)	—	(0.11)	\$10.28	7.44%	\$ 831,234	1.23%	0.71%	1.28%	5.28%	
<b>Class R2 Shares(f)</b>															
Year Ended October 31, 2009 (h)	\$ 8.08	0.12	0.58	0.70	(0.13)	—	(0.13)	\$ 8.65	8.95%	\$ 388,693	0.90%	1.56%	0.98%	4.24%	
Year Ended October 31, 2008	\$13.12	0.16	(4.85)	(4.69)	(0.16)	(0.19)	(0.35)	\$ 8.08	(36.62%)	\$ 21,773	0.76%	1.42%	0.80%	10.51%	
Period Ended October 31, 2007 (g)	\$12.13	0.10	1.03	1.13	(0.14)	—	(0.14)	\$13.12	9.34%	\$ 235,763	0.74%	1.12%	0.76%	3.56%	
<b>Institutional Service Class Shares</b>															
Year Ended October 31, 2009 (h)	\$ 8.12	0.20	0.53	0.73	(0.16)	—	(0.16)	\$ 8.69	9.42%	\$69,764,415	0.48%	2.57%	0.56%	4.24%	
Year Ended October 31, 2008	\$13.18	0.20	(4.88)	(4.68)	(0.19)	(0.19)	(0.38)	\$ 8.12	(36.43%)	\$61,463,544	0.47%	1.74%	0.51%	10.51%	
Year Ended October 31, 2007	\$11.79	0.20	1.44	1.64	(0.20)	(0.05)	(0.25)	\$13.18	14.01%	\$98,678,663	0.48%	1.52%	0.49%	3.56%	
Year Ended October 31, 2006	\$10.40	0.17	1.46	1.63	(0.16)	(0.08)	(0.24)	\$11.79	15.85%	\$82,442,558	0.48%	1.49%	0.51%	2.63%	
Year Ended October 31, 2005	\$ 9.77	0.18	0.62	0.80	(0.17)	—	(0.17)	\$10.40	8.29%	\$69,995,616	0.48%	1.68%	0.52%	5.28%	

Amounts designated as “—” are zero or have been rounded to zero.

- (a) Excludes sales charge.  
(b) Not annualized for periods less than one year.  
(c) Annualized for periods less than one year.  
(d) During the period certain fees may have been waived and/or reimbursed. If such waivers/reimbursements had not occurred, the ratios would have been as indicated.  
(e) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing among the classes of shares.  
(f) Effective February 28, 2009, Class R Shares were renamed Class R2 Shares.  
(g) For the period from January 30, 2007 (commencement of operations) through October 31, 2007.  
(h) Per share calculations were performed using the average shares method.

# FINANCIAL HIGHLIGHTS: NATIONWIDE S&P 500 INDEX FUND

## Selected Data for Each Share of Capital Outstanding

	Operations				Distributions				Ratios / Supplemental Data						
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Operations	Net Investment Income	Net Realized Gains	Total Distributions	Redemption Fees	Net Asset Value, End of Period	Total Return (a)(b)	Net Assets at End of Period	Ratio of Expenses to Average Net Assets (c)	Ratio of Net Investment Income to Average Net Assets (c)	Ratio of Expenses (Prior to Reimbursements) to Average Net Assets (c)(d)	Portfolio Turnover (e)
<b>Institutional Class Shares</b>															
Year Ended October 31, 2009 (d)	\$ 8.13	0.17	0.58	0.75	(0.18)	—	(0.18)	—	\$ 8.70	9.55%	\$1,482,444,134	0.23%	2.25%	0.31%	4.24%
Year Ended October 31, 2008	\$13.19	0.22	(4.88)	(4.66)	(0.21)	(0.19)	(0.40)	—	\$ 8.13	(36.25%)	\$1,188,316,958	0.23%	1.99%	0.27%	10.51%
Year Ended October 31, 2007	\$11.80	0.23	1.44	1.67	(0.23)	(0.05)	(0.28)	—	\$13.19	14.26%	\$1,834,779,809	0.23%	1.82%	0.24%	3.56%
Year Ended October 31, 2006	\$10.41	0.19	1.47	1.66	(0.19)	(0.08)	(0.27)	—	\$11.80	16.12%	\$2,689,367,610	0.23%	1.73%	0.26%	2.63%
Year Ended October 31, 2005	\$ 9.77	0.19	0.64	0.83	(0.19)	—	(0.19)	—	\$10.41	8.55%	\$2,007,289,506	0.23%	1.86%	0.28%	5.28%
<b>Service Class Shares</b>															
Year Ended October 31, 2009 (d)	\$ 8.08	0.15	0.57	0.72	(0.14)	—	(0.14)	—	\$ 8.66	9.27%	\$ 381,086,600	0.63%	1.92%	0.72%	4.24%
Year Ended October 31, 2008	\$13.13	0.17	(4.86)	(4.69)	(0.17)	(0.19)	(0.36)	—	\$ 8.08	(36.60%)	\$ 378,392,267	0.64%	1.53%	0.68%	10.51%
Year Ended October 31, 2007	\$11.75	0.18	1.43	1.61	(0.18)	(0.05)	(0.23)	—	\$13.13	13.79%	\$ 666,420,484	0.63%	1.37%	0.65%	3.56%
Year Ended October 31, 2006	\$10.36	0.15	1.46	1.61	(0.14)	(0.08)	(0.22)	—	\$11.75	15.74%	\$ 628,020,675	0.63%	1.35%	0.66%	2.63%
Year Ended October 31, 2005	\$ 9.73	0.16	0.62	0.78	(0.15)	—	(0.15)	—	\$10.36	8.06%	\$ 578,102,425	0.63%	1.51%	0.67%	5.28%

Amounts designated as " — " are zero or have been rounded to zero.

- (a) Excludes sales charge.
- (b) During the period certain fees may have been waived and/or reimbursed. If such waivers/reimbursements had not occurred, the ratios would have been as indicated.
- (c) Portfolio turnover is calculated on the basis of the Fund as a whole without distinguishing among the classes of shares.
- (d) Per share calculations were performed using the average shares method.

# FINANCIAL HIGHLIGHTS: NATIONWIDE SMALL CAP INDEX FUND

## Selected Data for Each Share of Capital Outstanding

	Operations				Distributions			Ratios / Supplemental Data							
	Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) from Investments	Total from Operations	Net Investment Income	Net Realized Gains	Total Distributions	Redemption Fees	Net Asset Value, End of Period	Total Return (a)/(b)	Net Assets at End of Period	Ratio of Expenses to Average Net Assets (c)	Ratio of Net Investment Income to Average Net Assets (c)	Ratio of Expenses (Prior to Reimbursements) to Average Net Assets (c)(d)	Portfolio Turnover (e)
<b>Class A Shares</b>															
Year Ended October 31, 2009(h)	\$ 8.25	0.07	0.39	0.46	(0.05)	(0.12)	(0.17)	-	\$ 8.54	5.94%	\$122,390,936	0.72%	0.86%	0.82%	22.56%
Year Ended October 31, 2008	\$13.09	0.07	(4.47)	(4.40)	(0.06)	(0.38)	(0.44)	-	\$ 8.25	(34.65)%	\$ 95,789,525	0.65%	0.75%	0.71%	37.88%
Year Ended October 31, 2007	\$13.47	0.14	0.94	1.08	(0.18)	(1.28)	(1.46)	-	\$13.09	8.36%	\$124,188,723	0.71%	1.03%	0.75%	19.60%
Year Ended October 31, 2006	\$11.90	0.15	2.06	2.21	(0.15)	(0.49)	(0.64)	-	\$13.47	19.14%	\$114,280,835	0.70%	1.21%	0.75%	31.51%
Year Ended October 31, 2005	\$11.15	0.10	1.20	1.30	(0.10)	(0.45)	(0.55)	-	\$11.90	11.67%	\$ 65,750,869	0.69%	0.90%	0.77%	24.14%
<b>Class B Shares</b>															
Year Ended October 31, 2009(h)	\$ 8.16	0.03	0.39	0.42	(0.02)	(0.12)	(0.14)	-	\$ 8.44	5.54%	\$ 188,301	1.30%	0.42%	1.41%	22.56%
Year Ended October 31, 2008	\$12.98	0.02	(4.45)	(4.43)	(0.01)	(0.38)	(0.39)	-	\$ 8.16	(35.08)%	\$ 286,977	1.30%	0.10%	1.36%	37.88%
Year Ended October 31, 2007	\$13.36	0.06	0.93	0.99	(0.09)	(1.28)	(1.37)	-	\$12.98	7.68%	\$ 448,885	1.30%	0.45%	1.34%	19.60%
Year Ended October 31, 2006	\$11.82	0.08	2.02	2.10	(0.07)	(0.49)	(0.56)	-	\$13.36	18.38%	\$ 482,293	1.30%	0.62%	1.35%	31.51%
Year Ended October 31, 2005	\$11.08	0.03	1.19	1.22	(0.03)	(0.45)	(0.48)	-	\$11.82	10.98%	\$ 444,173	1.29%	0.28%	1.37%	24.14%
<b>Class C Shares</b>															
Year Ended October 31, 2009(h)	\$ 8.14	0.02	0.40	0.42	(0.02)	(0.12)	(0.14)	-	\$ 8.42	5.46%	\$ 623,587	1.30%	0.24%	1.40%	22.56%
Year Ended October 31, 2008	\$12.94	-	(4.42)	(4.42)	-	(0.38)	(0.38)	-	\$ 8.14	(35.05)%	\$ 404,580	1.30%	0.13%	1.36%	37.88%
Year Ended October 31, 2007	\$13.33	0.06	0.93	0.99	(0.10)	(1.28)	(1.38)	-	\$12.94	7.74%	\$ 639,822	1.30%	0.42%	1.34%	19.60%
Year Ended October 31, 2006	\$11.80	0.06	2.05	2.11	(0.09)	(0.49)	(0.58)	-	\$13.33	18.40%	\$ 534,348	1.30%	0.53%	1.35%	31.51%
Year Ended October 31, 2005	\$11.08	0.03	1.19	1.22	(0.05)	(0.45)	(0.50)	-	\$11.80	10.99%	\$ 199,527	1.29%	0.23%	1.37%	24.14%
<b>Class R2 Shares(f)</b>															
Year Ended October 31, 2009(h)	\$ 8.24	0.04	0.42	0.46	(0.05)	(0.12)	(0.17)	-	\$ 8.53	5.94%	\$ 734	0.89%	0.49%	0.92%	22.56%
Year Ended October 31, 2008	\$13.08	0.07	(4.48)	(4.41)	(0.05)	(0.38)	(0.43)	-	\$ 8.24	(34.72)%	\$ 690	0.71%	0.67%	0.79%	37.88%
Period Ended October 31, 2007(g)	\$12.75	0.07	0.64	0.71	(0.15)	(0.23)	(0.38)	-	\$13.08	5.64%	\$ 1,056	0.68%	0.84%	0.70%	19.60%
<b>Institutional Class Shares</b>															
Year Ended October 31, 2009(h)	\$ 8.33	0.10	0.41	0.51	(0.09)	(0.12)	(0.21)	-	\$ 8.63	6.51%	\$244,252,273	0.30%	1.26%	0.41%	22.56%
Year Ended October 31, 2008	\$13.22	0.12	(4.53)	(4.41)	(0.10)	(0.38)	(0.48)	-	\$ 8.33	(34.45)%	\$191,937,321	0.30%	1.13%	0.36%	37.88%
Year Ended October 31, 2007	\$13.59	0.20	0.94	1.14	(0.23)	(1.28)	(1.51)	-	\$13.22	8.76%	\$320,319,143	0.30%	1.53%	0.33%	19.60%
Year Ended October 31, 2006	\$12.00	0.20	2.07	2.27	(0.19)	(0.49)	(0.68)	-	\$13.59	19.60%	\$518,238,957	0.30%	1.61%	0.35%	31.51%
Year Ended October 31, 2005	\$11.24	0.15	1.21	1.36	(0.15)	(0.45)	(0.60)	-	\$12.00	12.11%	\$346,509,477	0.29%	1.28%	0.37%	24.14%

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- (f) Effective February 28, 2009, Class R Shares were renamed Class R2 Shares.
- (g) For the period from March 9, 2007 (commencement of operations) through October 31, 2007.
- (h) Per Share calculations were performed using the average Shares method.

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800-848-0920 (toll free). Representatives are available 8 a.m. - 7 p.m. Eastern time, Monday through Friday. Call after 7 p.m. Eastern time for closing share prices. Also, visit the website at [www.nationwide.com/mutualfunds](http://www.nationwide.com/mutualfunds).

## Information from Nationwide Funds

Please read this Prospectus before you invest, and keep it with your records. The following documents—which may be obtained free of charge—contain additional information about the Funds:

- Statement of Additional Information (incorporated by reference into this Prospectus)
- Annual Reports (which contain discussions of the market conditions and investment strategies that significantly affected each Fund's performance)
- Semiannual Reports

To obtain any of the above documents free of charge, to request other information about a Fund, or to make other shareholder inquiries, contact us at the address or phone number listed.

To reduce the volume of mail you receive, only one copy of financial reports, prospectuses, other regulatory materials and other communications will be mailed to your household (if you share the same last name and address). You can call us at 800-848-0920, or write to us at the address listed, to request (1) additional copies free of charge, or (2) that we discontinue our practice of mailing regulatory materials together.

If you wish to receive regulatory materials and/or account statements electronically, you can sign up for our free e-delivery service. Please call 800-848-0920 for information.

## Information from the Securities and Exchange Commission (SEC)

You can obtain copies of Fund documents from the SEC:

- on the SEC's EDGAR database via the Internet at [www.sec.gov](http://www.sec.gov);
- by electronic request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov);
- in person at the SEC's Public Reference Room in Washington, D.C. (for their hours of operation, call 202-551-8090) or
- by mail by sending your request to Securities and Exchange Commission Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102 (the SEC charges a fee to copy any documents).

The Trust's Investment Company Act File No.: 811-08495

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