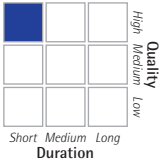


# Nationwide Short Duration Bond Fund

UNLESS OTHERWISE NOTED, ALL INFORMATION IS AS OF SEPT. 30, 2008, FOR CLASS A SHARES



Fund positioning is based on our own classifications. Please consult this Fund's prospectus for more information.

## OBJECTIVE

Seeks to provide a high level of current income while preserving capital and minimizing fluctuations in share value.

## PRINCIPAL STRATEGIES

Under normal circumstances, the Fund invests primarily in U.S. government securities, U.S. government agency securities, and corporate bonds that are investment grade. The Fund also may purchase mortgage-backed securities and asset-backed securities, and may invest in fixed-income securities that pay interest on either a fixed-rate or variable-rate basis.

## PORTFOLIO MANAGEMENT

**Morley Capital Management, Inc., Subadviser**

Perpetua M. Phillips

Senior Portfolio Manager

Paul Rocheleau

Portfolio Manager

Effective Sept. 19, 2008

## IMPORTANT CONSIDERATIONS

While the Fund invests primarily in securities of the U.S. government and its agencies, the Fund's value is not guaranteed by these entities.

The Fund may purchase securities in derivatives, which can be very volatile and carry high transaction costs.

The Fund may purchase mortgage-backed and asset-backed securities, which are sensitive to fluctuations in interest rates. In addition, these securities are subject to prepayment, which may cause the Fund to reinvest in securities with lower interest rates.

## FUND FACTS

Class	Ticker	CUSIP
Class A	MCAPX	63867U285
Class C	GGM CX	63867U277
Institutional*	MCAIX	63867U269
Service Class*	MCAFX	63867U244

### Minimum initial investment

Classes A, C	\$2,000
IRA: Classes A, C	\$1,000
Institutional Class	\$1,000,000
Service Class	\$25,000

### Total net assets (all classes)

\$74.0 million

\*Institutional Class and Service Class shares are available only to certain investors.

## AVERAGE ANNUAL TOTAL RETURNS

	3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (2/1/99)
Class A at NAV	-0.27%	1.56%	3.21%	3.92%	3.04%	N/A	3.85%
Class A w/load	-2.50%	-0.72%	0.88%	3.12%	2.42%	N/A	3.52%
ML 1-3 Year Treasury Index <sup>1</sup>	1.69%	3.82%	6.27%	5.26%	3.54%	N/A	N/A

## EXPENSE RATIOS (as of Oct. 31, 2007)

Gross annual Fund operating expenses	0.80%
Net annual Fund operating expenses <sup>2</sup>	0.70%

**PERFORMANCE SHOWN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS.** Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information current to the most recent month-end, which may be higher or lower than the performance shown, please call 1-800-848-0920 or go to [nationwidefunds.com](http://nationwidefunds.com).

**Class A shares have up to a 2.25% front-end sales charge and a 0.25% 12b-1 fee. Investors may be able to reduce or eliminate front-end sales charges on Class A shares, based on investment size. Please consult the Fund's prospectus for more details.**

Performance returns assume the reinvestment of all distributions. Returns for periods less than one year are not annualized. Total returns reflect a waiver of part of the Fund's fees for certain periods since inception, without which returns would have been lower. Returns prior to the creation of Class A shares (7/16/03) are based on the performance of the Fund's IRA Class shares. Returns have been restated for sales charges, but not for Class A shares' fees. If these fees were reflected, returns would have been lower.

## TOP HOLDINGS

	% of Portfolio
US T-NOTES 4.75% 02/15/10	14.1
US TREASURY 4.50 05/15/10	12.7
FANNIE MAE 4% 10/25/16	3.1
FHLMC 2.875% 04/30/10	2.7
LB-UBS 4.885% 09/15/30	2.7
FREDDIE MAC 4.5% 07/15/14	2.2
CITIFIN. 4.42% 10/25/33	2.1
FANNIE MAE 4.00% 10/25/13	2.0
HOUSEHOLD 5.875% 02/01/09	2.0
WACHOVIA 4.782% 03/30/05	1.7

## PORTFOLIO COMPOSITION

	% of Portfolio
Corporate Bonds	29.0
U.S. Treasury Securities	14.1
U.S. Treasury Bonds	12.7
Federal National Mortgage Association	11.3
Asset Backed Securities	9.6
Collateralized Mortgage Obligations	8.5
Repurchase Agreements	7.9
Federal Home Loan Mortgage Corp.	3.8
Government National Mortgage Assoc.	1.6

## PORTFOLIO CHARACTERISTICS

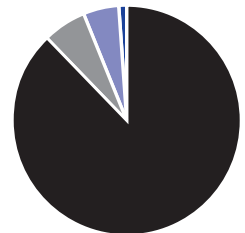
Number of holdings	48
Average maturity (years)	4.6
Duration of fund securities (years)	3.23
SEC 30-day yield	2.90%
Average credit quality	AAA
Annual turnover (rolling 12 months)	44%

## ASSET ALLOCATION

Fixed income	92%
Cash	8%

## QUALITY DISTRIBUTION (Source: Standard & Poor's)

■ AAA	88%
■ AA	6%
■ A	5%
■ A1	1%



1. Market index performance is provided by a third-party source Nationwide Funds Group deems to be reliable (Zephyr StyleADVISOR®). Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. Individuals cannot invest directly in an index.

2. The difference between gross and net operating expenses reflects voluntary expense waivers in place through May 1, 2009.

Investing in mutual funds involves risk, including the possible loss of principal. There is no assurance that the investment objective of any fund will be achieved. Portfolio composition is subject to change at any time. The holdings are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities shown.

**Investors should carefully consider a fund's investment objectives, risks, fees, charges and expenses before investing any money. To obtain this and other fund information, please call 1-800-848-0920 to request a prospectus, or download a prospectus at [nationwidefunds.com](http://nationwidefunds.com). Please read it carefully before investing any money.**

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PLEASE REFER TO "DEFINITIONS" ON BACK FOR DESCRIPTION OF FINANCIAL TERMS.

## DEFINITIONS

**Merrill Lynch (ML) 1-3 Year Treasury Index:** An unmanaged index that tracks short-term U.S. Treasury notes and bonds with maturities of one to three years.

**Average annual total returns** are the annual compounded returns that would have produced the cumulative total return if Fund performance had been constant during the given period. **Duration** is an estimate of bond price sensitivity to changes in interest rates. The higher the duration, the greater the change (i.e., higher risk) in relation to interest-rate movements. **Standard deviation** is a statistical measure of risk. It reflects the extent to which an asset's rate of return may fluctuate from period to period.

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### **Nationwide Funds**

1200 River Road, Suite 1000, Conshohocken, PA 19428  
Shareholder services and 24-hour account access: 1-800-848-0920  
National Sales Desk: 1-877-877-5083 [nationwidefunds.com](http://nationwidefunds.com)



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