Nationwide Large Cap Growth Portfolio

Offering Memorandum

January, 2016

This memorandum contains valuable information you should understand about the Portfolio before investing. Read this memorandum carefully and keep it for future reference.

Portfolio sponsored by:
Nationwide Life Insurance Company
P.O. Box 182797
Columbus, Ohio 43218-2797
1-877-677-3678

TABLE OF CONTENTS

Portfolio shares are not bank deposits nor are they guaranteed, endorsed or insured by the FDIC or any other government agency or insurance company. They are subject to investment risks, including the possible loss of principal invested.

This *Offering Memorandum* is the primary source of disclosure for the Portfolio. It is considered the offering document and should be read prior to investing. This document contains valuable information about the Portfolio including details about the Portfolio's investment objective and strategies, fees, and risks associated with investments in the Portfolio, and information about the adviser and subadvisers to the Portfolio. Read it carefully and keep it for future reference. The *Offering Memorandum* will be updated periodically, as needed, and made available via Nationwide's website (www.nrsforu.com). By choosing to invest in the Portfolio, you agree to retrieve updates to this document by visiting our website. Paper versions of this document and any updates are available upon request. Call the number listed in the front of this document to request paper copies.

References in this document to "Nationwide" or to "us" or "we" shall mean Nationwide Life Insurance Company. Any references to "you," "investor," or "participant" shall mean an eligible investor in the Portfolio.

DESCRIPTION OF THE PORTFOLIO

Multi-Manager Strategy

The Nationwide Large Cap Growth Portfolio (the "Portfolio") is an unregistered managed separate account designed to provide investors with access to diversified and complementary equity investment strategies from several specialized money managers through investment in a single portfolio. Each portfolio manager manages a portion of the Portfolio's assets allocated to it, or its "sleeve," in accordance with its distinct investment strategy and style. The Portfolio is currently structured with three sleeves, each with a portfolio manager focused on core growth, structured equity, and intrinsic growth, respectively. The Portfolio's investment adviser determines strategy to achieve the objective, including selecting the portfolio managers, setting the allocations among the portfolio managers, and monitoring the performance and adherence of the portfolio managers to their sleeve's investment guidelines in a manner designed to position the Portfolio to meet its overall investment objective.

Investment Adviser – Nationwide's affiliate, Nationwide Fund Advisors (the "Investment Adviser" and/or "NFA"), serves as the investment adviser to the Portfolio. NFA utilizes an investment strategy that divides the assets of the Portfolio into separate sleeves. Each sleeve is managed by a separate portfolio manager. Through this strategy, NFA seeks to combine the investment expertise of multiple portfolio managers (each a "subadviser" and collectively, "subadvisers"), each employing a distinct management style, into one portfolio.

NFA does not determine what investments will be purchased by the subadvisers for the Portfolio. Rather, it hires, oversees, evaluates, and monitors each subadviser. The subadvisers make the day-to-day investment decisions for their respective sleeves of the Portfolio. Each sleeve has a target allocation within the Portfolio as described herein. NFA regularly reviews the allocations to determine whether changes should be made to favor allocations it believes will provide the best outlook for reaching the Portfolio's overall investment objective.

Subadvisers – Each subadviser was chosen through a due diligence process that focused on the subadvisers' investment process, personnel, style, long-term performance, risk statistics, organizational strength, and stability. The correlation and complementary characteristics of the strategies of the subadvisers and how they would work together within a multi-managed portfolio structure were also examined and considered. A subadviser may be terminated or replaced due to quantitative or qualitative factors or for any other reason deemed appropriate by the Investment Adviser, see *Organization and Management of the Portfolio*.

The assets of the Portfolio are allocated among the following sleeves: core growth, structured equity, and intrinsic growth, as reflected in the following table. *Appendix A: Investment Guidelines* contains details about the investment guidelines employed by each subadviser for its respective sleeve of the Portfolio. Investment guidelines are intended to be general (to allow the subadvisers flexibility and discretion in managing their respective sleeves) and are subject to change without notice. The Portfolio is not designed to be managed according to any specific state or specific or individual retirement Plan's requirements.

Subadviser	Focus of Strategy	Current Target Allocation*
Winslow Capital Management, LLC (“Winslow”)	Core Growth [1]	40%
Massachusetts Financial Services Company (“MFS”)	Structured Equity [2]	30%
Smith Asset Management Group, LP (“Smith Group)	Intrinsic Growth [3]	30%

* Target allocations as of January 1, 2016. Target allocations may shift over time or may be changed (without notice) at the discretion of the Investment Adviser.

[1] *Core Growth Sleeve* – The core growth sleeve seeks to invest in companies that provide similar characteristics to the Russell 1000® Growth Index. Core growth serves as the core component of the overall investment approach.

[2] *Structured Equity Sleeve* – The structured equity sleeve focuses on investing in the stocks of companies it believes to have above average earnings growth potential compared to other companies *(i.e.*, growth companies). Growth companies tend to have stock prices that are high relative to their earnings, dividends, book value, or other financial measures. MFS uses a bottom-up approach to buying and selling investments for the Portfolio. Investments are selected based on fundamental and quantitative analysis. MFS uses fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political, and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position and management ability. MFS also uses quantitative models that systematically evaluate an issuer's valuation, price and earnings momentum, earnings quality, and other factors.

[3] *Intrinsic Growth Sleeve* – The intrinsic growth sleeve employs an intrinsic valuation approach based on its estimates of companies' future cash generation. Smith Group employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. Within this process, Smith Group investment models are based on fundamental characteristics that are used to screen out unattractive companies that research shows have a high probability of underperformance. Companies with high earnings quality and rapidly improving business fundamentals are identified and ranked as potential buy candidates. Each is then reviewed to determine those that best fit within the portfolio from a risk/return perspective. Quantitative risk models and construction tools are used to create a portfolio that balances risk with maximum exposure to Smith Group's investment models.

Investment Objective

The Portfolio seeks to provide long-term capital appreciation through investments primarily in stocks of large and midsize companies across a range of industries. The Portfolio will target companies that the subadvisers believe are likely to grow faster than the overall economy for investors seeking capital appreciation.

The investment objective of the Portfolio may be changed by a vote of the Board of Managers.

Principal Investment Strategies

Under normal investment circumstances, the Portfolio intends to invest at least 80% of its total assets in equity securities of U.S. large capitalization growth companies. U.S. large capitalization companies are firms with market capitalizations similar to those of companies included in the Russell 1000® Growth Index, ranging from $275 million to $666 billion as of December 31, 2014. Growth companies are defined as firms with earnings/revenues expected to grow faster than the average company in the market.

The Portfolio may hold some of its assets in cash or in money market instruments, including U.S. government obligations, shares of other mutual funds and repurchase agreements, or make other short-term investments to either maintain liquidity or for short-term defensive purposes. During these periods, the Portfolio may not achieve its investment objective.

PRINCIPAL RISK FACTORS

Investing in the Portfolio involves risk and there is no guarantee that the Portfolio will achieve its stated investment objective. Understanding these risks will help you make an informed decision that takes into account your risk tolerance and preferences. The factors that are most likely to have a material effect on the Portfolio as a whole are called "principal risks." The following have been identified as the principal risks of investing in the Portfolio. These and other risks could adversely impact the Portfolio's value and total return.

- Active Trading Risk
- Common Stock Risk
- Foreign Investment Risk
- Growth Style Investment Risk
- Issuer Risk
- Management Risk
- Market Changes Risk
- Mid to Small Company Securities Risk
- Multiple Subadviser Risk
- Recent Market Events Risk

- Liquidity Risk
- Loss of Money Risk
- Regulatory Risk

Active Trading Risk Frequent trading would result in a higher-than-average Portfolio turnover ratio and increased trading expenses, and may generate higher short-term capital gains.

Common Stock Risk	Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions, and the risks inherent in the Portfolio managers' ability to anticipate changes that can adversely affect the value of the Portfolio's holdings.
Foreign Investment Risk	Investments in foreign securities are subject to risks that differ from the risks of investing in securities of U.S. issuers. These risks may include: fluctuating currency values; less liquid trading markets; greater price volatility; political and economic instability; less publicly available information about issuers; changes in U.S. or foreign tax or currency laws; and changes in monetary policy. These risks may be greater in emerging market countries than in more developed countries.
Growth Style Investment Risk	If growth companies do not increase their earnings at a rate expected by investors, the market price of the stock may decline significantly, even if earnings show an absolute increase. Growth company stocks also typically lack the dividend yield that can cushion stock prices in market downturns.
Issuer Risk	The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods and services.
Liquidity Risk	There is a risk that an underlying security may not be sold at the time desired or without adversely affecting the price.
Loss of Money Risk	Before considering an investment in the Portfolio, you should understand that you could lose money.
Management Risk	The investment objective of the Portfolio may not be met. The performance of the Portfolio is not guaranteed and the market value of any investment in the Portfolio may decline in value. Neither Nationwide nor the subadvisers will "make good" on any investment losses suffered, nor can any service provider to the Portfolio offer or promise to make good on any such losses.
Market Changes Risk	The value of the Portfolio's investments may change because of broad changes in the markets in which the Portfolio invests or poor security selection, which could cause the Portfolio to underperform other funds with similar objectives.
Mid to Small Company Securities Risk	The securities of small capitalization and mid-capitalization companies involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements. Securities of such issuers may lack sufficient market liquidity to enable the Portfolio to effect sales at an advantageous time or without a substantial drop in price. Both mid-cap and small-cap companies often have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of the Portfolio. Generally, the smaller the company size, the greater these risks.

Multiple Subadviser Risk	Because each subadviser directs the trading of securities for its sleeve and does not aggregate its transactions with those of the other subadvisers, the Portfolio may incur higher brokerage costs than would be the case if a single subadviser were managing the entire Portfolio.
Recent Market Events Risk	Domestic and international markets have experienced a period of acute stress starting in the financial sector and then moving to other sectors of the world economy. This stress has resulted in extreme volatility in equity markets and stock prices. In some cases, the prices of certain stocks have declined sharply even though the financial condition or prospects of that company remain sound. These market conditions add significantly to the risk of short-term volatility of the Portfolio.
Regulatory Risk	Changes in government regulations may adversely affect the value of a security. An insufficiently regulated market might also permit inappropriate practices that adversely affect an investment. In July 2010, Congress passed, and the President signed, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). Policy and rule-making conducted in the aftermath of the enactment of the Dodd-Frank Act will significantly change financial regulation in several ways. At this time, we cannot predict the impact this financial reform legislation will have on our business, results of operations, or financial condition. The full impact of the Dodd-Frank Act on Nationwide will not be determined until the numerous regulations required by the Act are finalized.

PERFORMANCE

The Portfolio commenced operations on April 27, 2007. The following shows how the Portfolio has performed since its inception, and includes fees of 0.95% (as an annualized rate) of the daily net assets of the Portfolio. The strategy is benchmarked against the Russell 1000® Growth Index. Performance for the Russell 1000® Growth Index is provided for informational purposes only and does not reflect any fees or expenses. You cannot invest directly in an index. Past performance is no guarantee of future results.

Portfolio Performance:

One Month [1]	YTD	One Year	Three Years	Five Years	Ten Years [2]	Since Inception [3]
-1.45%	3.09%	13.55%	14.95%	13.88%	N/A	6.91%

1 From the period of 3/1/15 to 3/31/15.
2 N/A = not available at this time.
3 Performance from Portfolio inception date of 04/27/07.

Benchmark Performance:

	One Month [1]	YTD	One Year	Three Years	Five Years	Ten Years	Since Inception [3]
Russell 1000® Growth Index [2]	-1.14%	3.84%	16.09%	16.34%	15.63%	N/A	8.51%

1 From the period of 3/1/15 to 3/31/15.
2 Benchmark Source: Frank Russell Company. The Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Currency used to express assets and composite benchmark performance: USD.
3 Performance from Portfolio inception date of 04/27/07.

PORTFOLIO PRICING

The below table shows the maximum possible fees assessed for the Portfolio. Fees are assessed daily against the assets of the Portfolio and are shown below as an annualized percentage of assets. Fees shown do not include the fees of any annuity contract or other Plan administration or record-keeping fees.

Maximum Portfolio Fees and Expenses

(expressed as a percentage of the daily net assets of the Portfolio)

Investment Management Fee	Administration and Support Fee	Maximum Total Expenses*
0.50%	0.45%	0.95%

* Fees for your Plan may be lower.

There are no sales charges assessed against purchases or redemptions of Portfolio shares. Nationwide expects to profit from the fees assessed for the Portfolio.

Investment Management Fees

Investment management fees cover expenses associated with the selection, oversight, and payment of the subadvisers.

Administration and Support Fee

The Administration and Support Fee covers expenses associated with the day-to-day operations of the Portfolio. While Nationwide will perform many administrative functions on behalf of the Portfolio, it will also rely upon its affiliates and other unaffiliated third-parties for support. Nationwide expects to incur expenses associated with the creation of marketing materials, providing and maintaining website information about the Portfolio, providing customer service representatives to answer questions about the Portfolio, as well as on-going notice and communications with investors regarding the Portfolio, such as performance reports. Nationwide also expects to incur expenses associated with unaffiliated third-parties including custodial and transfer agency support.

Fee Waivers

For some Plans, Nationwide may charge less than 0.95% for the Portfolio by waiving a portion of the Administration and Support Fee, up to a maximum of 0.40%, see *Organization and Management of the Portfolio*. Fee waivers directly benefit investors by lowering the total cost assessed for the Portfolio. The decision to waive a portion of the fees assessed for the Portfolio is made by Nationwide at its sole discretion and Nationwide reserves the right to eliminate fee waivers at any time. The availability of fee waivers will be made on a Plan-by-Plan basis and will depend largely upon any companion Nationwide products or services being offered. Generally, the following factors will also be considered:

- Pricing associated with any companion Nationwide products and/or services being offered.
- Size of the Plan, including the number of participants and amount of Plan assets.
- Continuity of the Plan's business with Nationwide.
- Specific requirements of the Plan as determined by the Plan sponsor.

Fee Reimbursements

In addition to fee waivers, Nationwide may reimburse a portion of expenses to Plan sponsors up to a maximum of 0.40% of the Administration and Support Fee. Fee reimbursements may result in indirect benefits to Plan participants by lowering overhead expenses and other Plan sponsor costs associated with administering the Plan. Not every Plan will receive fee reimbursements. Nationwide will determine the availability of any fee reimbursements at its sole discretion and may discontinue such reimbursements at any time. Similar considerations are given to the availability of fee reimbursements as are given to fee waivers.

Important Discussion about Portfolio Pricing

Nationwide offers a wide array of retirement products, each having many distinct investment options, (*e.g.,* unaffiliated mutual funds), in addition to many retirement Plan services, such as record-keeping and Plan administration. Nationwide can offer these products and services on a "bundled" basis, or individually. Retirement Plan sponsors, based upon the needs and objectives of their respective Plans, may select a "bundled" solution from Nationwide, or may select products and services separately on a non-bundled basis. Depending upon which products and/or services Nationwide ultimately provides, aggregate pricing for all products and services may be negotiated between a Plan sponsor and Nationwide.

In negotiating the aggregate fee for the Nationwide products and/or services provided, Nationwide seeks to cover its expenses associated with offering the products and services (with reasonable profitability), while accommodating the needs of the Plan, as determined by the Plan sponsor. Taking into account the aggregate fee for the Nationwide products and/or services provided, Nationwide developed the Portfolio in a way that permits it to make adjustments to the Administration and Support Fee resulting in the Portfolio being offered at a lesser charge (*i.e.*, by fee waiver) or by permitting Nationwide to reimburse expenses (*i.e*., by fee reimbursements) in some but not all cases.

As described in *Portfolio Pricing*, Nationwide will waive fees, to the extent fee waivers are available, to directly benefit participants investing in the Portfolio. It is anticipated that Plans with certain characteristics will be eligible for fee waivers. Such characteristics may be, but are not limited to: the size/scale of the Plan, including the number of participants and asset levels; the continuity of the Plan's business with Nationwide; and the aggregate products and/or services being provided by Nationwide. Not all Plans will be eligible for fee waivers. Nationwide may discontinue offering fee waivers at any time.

Nationwide may also agree to reimburse a percentage of the fees collected for the Portfolio to a Plan sponsor. Plan participants will not receive any fee reimbursements directly from Nationwide. Fee reimbursements are typically used by Plan sponsors to reduce costs associated with Plan administration. Fee reimbursements may also be considered in determining the price for the Portfolio on a Plan-by-Plan basis; in other words, fees may not be waived because a fee reimbursement is being provided. Not all Plan sponsors will receive fee reimbursements. Similar to the circumstances for fee waivers, certain Plan characteristics may result in the ability for Nationwide to provide reimbursement payments.

Nationwide offers the Portfolio on the same basis and terms as other investment options in its retirement plan products. However, because Nationwide is the sponsor of the Portfolio and the issuer or sponsor of the retirement products that utilize the Portfolio, Nationwide has greater flexibility with respect to pricing when services are bundled. The availability of fee waivers and expense reimbursements may create incentives for Plan sponsors (of Plans that are eligible) to select the Portfolio as an available investment option for their Plan.

ORGANIZATION AND MANAGEMENT OF THE PORTFOLIO

The Portfolio was established on December 6, 2006 pursuant to Ohio law and is exempt from registration under the federal securities laws pursuant to an exemption available in Section 3(c)(11) of the Investment Company Act of 1940. The interests in the Portfolio are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933. Interests in the Portfolio are available as investment options only through participation in retirement Plans described in Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") and deferred compensation Plans described in Section 457(b) of the Code that are exempt from the provisions of ERISA (each, a "Plan"), whether directly or through participation in a group annuity contract that invests in the Portfolio.

Income, gains, and losses credited to, or charged against, the Portfolio reflect the Portfolio's own investment experience and not the investment experience of Nationwide's other assets. The Portfolio's assets are held separately from Nationwide's assets and are not chargeable with liabilities incurred in any other business of Nationwide.

Board of Managers

The Board of Managers ("Board") of the Portfolio is empowered to act on behalf of the Portfolio and Nationwide Life Insurance Company with respect to the management and operation of the Portfolio. The Board monitors and evaluates advisory services provided and is empowered to replace the investment adviser if it deems appropriate. The Board also monitors the other service providers to the Portfolio and may recommend the replacement of any service provider to the Portfolio. The Board may also vote to change the investment objective of the Portfolio.

Current Board members are:

- Kevin O'Brien, Vice President and CFO, Nationwide Financial Services, Inc., Retirement Plans
- Harold Schafer, Vice President – RP Business Development & Program Management
- Daniel Grome, Sr. Investment Consultant, Nationwide Financial Services, Inc., Individual Products & Solutions

Nationwide Life Insurance Company

Nationwide Life Insurance Company is a stock life insurance company organized under Ohio law in March 1929, with its home office at One Nationwide Plaza, Columbus, Ohio 43215. Nationwide is a provider of life insurance, annuities, and retirement products. Nationwide is admitted to do business in all states, the District of Columbia, and Puerto Rico.

Nationwide is a member of the Nationwide group of companies. Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company (the "Companies") are the ultimate controlling persons of the Nationwide group of companies. The Companies were organized under Ohio law in December 1925 and 1933 respectively. The Companies engage in a general insurance and reinsurance business, except life insurance.

Nationwide is the sponsor of the Portfolio and is responsible for the management, administration and account maintenance of the Portfolio. While Nationwide will perform many administrative functions on behalf of the Portfolio, it will also rely upon its affiliates and other unaffiliated third-parties for support.

Nationwide will profit from the fees assessed by the Portfolio, whether due to its status as the administrator of the Portfolio and its receipt of the Administration and Support Fee, or by virtue of its status as an affiliate of the Investment Adviser, see *Nationwide Fund Advisors*. Nationwide or its affiliates may also act as the issuers or sponsors of the retirement products through which the Portfolio is offered. In that event, Nationwide or its affiliates may also profit from the retirement product through which the Portfolio is offered, see *Conflicts of Interest*.

Nationwide Fund Advisors

Nationwide Fund Advisors is a Delaware Business Trust. NFA is an investment adviser registered with the Securities and Exchange Commission and is the investment adviser to the Portfolio. NFA does not make day-to-day investment decisions for the Portfolio; rather, day-to-day investment decisions for the Portfolio are made by the subadvisers. NFA is responsible for the selection, monitoring, and payment of the subadvisers. NFA evaluates the subadvisers based upon a quantitative and qualitative assessment of each in managing assets pursuant to specific investment styles and strategies. NFA does not anticipate frequent changes to the subadvisers; however, NFA may, at its discretion, replace a subadviser.

NFA allocates assets to the subadvisers to increase diversification among securities and investment styles, thereby increasing the potential for investment return and, at the same time, reducing risk and volatility.

The investment management fee assessed by NFA for the performance of investment management services is an annualized rate of 0.50% of the daily net assets of the Portfolio. Though NFA is a registered investment adviser, and regularly incurs liabilities in its separate legal capacity (*e.g.*, to provide compensation to subadvisers), it is an affiliate of Nationwide. Therefore, all revenue realized by NFA (*i.e.*, revenue in excess of its contractual liabilities) flows through as revenue to Nationwide's parent, Nationwide Financial Services, Inc. ("NFS") and is reflected on NFS's books and records. Nationwide receives fees in connection with offering the Portfolio, including any fees assessed by Nationwide as the product sponsor of the retirement plan investment vehicle through which the Portfolio is made available, as well as any companion retirement products. Such fees could include contract charges, recordkeeping fees, administrative service charges or other compensation received in connection with other Nationwide products or services. Nationwide also receives compensation from the investment options it makes available through the investment vehicles used by the plans. The Portfolio does not pay any such separate compensation to Nationwide, see *Conflicts of Interest*.

The Subadvisers and Portfolio Managers

The Portfolio's investments are chosen by the subadvisers, which act independently of one another. The following describes the subadvisers and the portfolio managers who perform day-to-day investment management activities for the Portfolio. Each subadviser is compensated for its services by the Investment Adviser from the fees it receives for its services as the investment adviser to the Portfolio.

Winslow Capital Management, LLC ("Winslow Capital"): Winslow Capital is the subadviser responsible for the day-to-day investment management activities of the Core Growth sleeve. Winslow Capital has been registered as an investment adviser with the SEC since 1992 and is a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen Investments"). As of October 1, 2014, Nuveen Investments is an indirect subsidiary of TIAA-CREF. Winslow Capital is located at 4720 IDS Tower, 80 South Eighth Street, Minneapolis, Minnesota 55402.

The portfolio management team consists of Justin H. Kelly, CFA, Chief Investment Officer, Clark J. Winslow, Chief Executive Officer, and Patrick M. Burton, CFA, Managing Director and Co-Portfolio Manager/Analyst.

JUSTIN H. KELLY. Mr. Kelly is the Chief Investment Officer of Winslow Capital. He joined Winslow Capital in 1999 as a Managing Director with responsibility for research and portfolio management. He served as Vice President and co-head of the Technology Research Team at Investment Advisers, Inc. in Minneapolis from 1997 to 1999. For the prior four years, he was an investment banker in New York City for Prudential Securities and subsequent to that, Salomon Brothers. He graduated from Babson College, B.S., Summa Cum Laude in 1993.

CLARK J. WINSLOW. Mr. Winslow is the founder of Winslow Capital and has served as the Chief Executive Officer and portfolio manager of Winslow Capital since 1992. From 1992 to 2013, he was also the Chief Investment Officer. Mr. Winslow earned a BA from Yale University in 1962 and an MBA from Harvard Business School in 1965.

PATRICK M. BURTON. Mr. Burton joined Winslow Capital in 2010 as Managing Director/Analyst. He began his career in 1984 in Minneapolis at Piper Jaffray, where he was Managing Director. He then joined Lehman Brothers in New York as Senior Vice President, and, in 1999, moved to Citigroup, where he was Managing Director. Mr. Burton was ranked on Institutional Investor's All-American Research team for eight years, twice made Forbes "Best of Brokerage Analysts," and is a three-time recipient of the Wall Street Journal's "Best on the Street Award" for Stock Selection. He graduated from the University of Minnesota, B.S., with distinction, in 1987.

Massachusetts Financial Services Company ("MFS"): MFS is the subadviser responsible for the day-to-day management of the Structured Equity sleeve. MFS is located at 111 Huntingdon Avenue, Boston, Massachusetts 02199. MFS is a subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which in turn is an indirect majority owned subsidiary of Sun Life Financial Inc. (a diversified financial services organization). The MFS sleeve of the Portfolio is managed by Matthew W. Krummell.

MATTHEW KRUMMELL. Mr. Krummell serves as a Portfolio Manager and Investment Officer at MFS, and has been employed in the investment area of MFS since 2001. He previously held positions as an Analyst and Portfolio Manager at Pioneer Investments for 3 years; an Assistant Vice President at Putnam Investments for two years; and an Associate at Mellon Capital Management for three years. Mr. Krummell received a BA from University of California, Berkeley, Phi Beta Kappa and an MBA from the University of Chicago.

Smith Asset Management Group, LLP ("Smith Group"): Smith Group is the subadviser responsible for the day-to-day management of the Intrinsic Growth sleeve of the Portfolio. Smith Group is located at 100 Crescent Court, Suite 1150, Dallas, Texas 75201.

STEVE SMITH, CFA
Founder and CIO

Mr. Smith founded Smith Group in 1995, and serves as the company's Chief Investment Officer. He began his career in the late 1960s as an engineer with NASA in the lunar landing program. He joined Wachovia Bank as a computer systems analyst in the mid-1970s, and transitioned to the bank's investment management division in order to help design and implement a portfolio management system. Mr. Smith left Wachovia and joined what is now known as Bank of America in 1983. He held a number of senior investment positions at the Bank of America until he departed in 1995 to found Smith Group. Mr. Smith has an engineering degree and an MBA, both from the University of Alabama, and he was awarded the Chartered Financial Analyst (CFA) designation in 1981. He is a member of the CFA Institute and the CFA Society of Dallas-Ft. Worth. He is an active volunteer in his community, and serves on the board of directors for a number of charitable organizations.

JOHN BRIM, CFA
President and Portfolio Manager
Mr. Brim joined Smith Group in March 1998, and is a member of the investment management team. Prior to joining Smith Group, he was a Manager within the Institutional Investment Consulting Group of Deloitte & Touche, LLP from 1997 to 1998. From 1990 to 1997, Mr. Brim held a variety of positions, including Senior Client Manager with NationsBank Asset Management in Dallas. He earned his BS in Economics from Texas A&M University. He was awarded the Chartered Financial Analyst (CFA) designation in 1998. Mr. Brim is a member of the CFA Institute and the CFA Society of Dallas-Ft. Worth.

Other Service Providers

Institutional Shareholder Services Inc.: 702 King Farm Boulevard, Suite 400, Rockville, MD 20850-4045, provides securities class action lawsuit data and services through a wholly owned subsidiary Securities Class Action Services, LLC.

JPMorgan Chase Bank: JPMorgan Chase Bank, 270 Park Avenue, New York, New York 10017, serves as the custodian for the Portfolio and makes all receipts and disbursements under a custody agreement with Nationwide Life Insurance Company.

J.P. Morgan Investor Services Co.: J.P. Morgan Investor Services Co. provides some back office support for the Portfolio, including some accounting and administration support under an agreement with Nationwide Life Insurance Company.

U.S. Bancorp Fund Services, LLC: U.S. Bancorp Fund Services, LLC provides some services for the Portfolio, including certain sub-transfer agent and dividend disbursing agent services under an agreement with Nationwide Life Insurance Company.

OPERATION OF THE PORTFOLIO

Purchasing or Redeeming Portfolio Shares

Nationwide offers the Portfolio as an investment option only in other Nationwide or Nationwide affiliated insurance companies' retirement products, such as group annuity contracts, or trust or custodial accounts, which are offered to retirement plans. The Portfolio is NOT publicly traded and its performance cannot be tracked in the newspaper or other publicly available sources.

There is no sales charge assessed against purchases or redemptions of Portfolio shares.

Requests to purchase, exchange, or redeem Portfolio shares can be made to Nationwide via first class U.S. mail. Nationwide will also accept instructions via the telephone or the internet unless an investor's ability to utilize those alternative methods has been restricted, see *Transfer Restrictions*.

Telephone:	1-877-677-3678
TDD:	1-800-838-0833
Internet:	www.nrsforu.com

U.S. Mail: Nationwide Life Insurance Company
PO Box 182797
Columbus, Ohio 43218-2797

Nationwide uses reasonable procedures to confirm that purchase, redemption, or exchange instructions are genuine. We will not be liable for following instructions that we reasonably determine to be genuine. Any computer system or telephone can experience slowdowns or outages that could delay or prevent our ability to process transaction requests. Although we have taken precautions to help our systems handle heavy usage, we cannot promise complete reliability under all circumstances.

Transfer Restrictions

Neither the Portfolio nor the retirement products through which the Portfolio is available are designed to support active trading strategies (sometimes referred to as "market-timing" or "short-term trading"). Nationwide discourages (and will take action to deter) short-term trading in the Portfolio because the frequent movement in and out of the Portfolio may negatively impact other investors in the Portfolio. Short-term trading can result in:

- the dilution of the value of the investors' interests in the Portfolio;
- the Portfolio's managers taking actions that negatively impact performance (keeping a larger portion of the assets in cash or liquidating investments prematurely in order to support redemption requests); and/or
- increased administrative costs due to frequent purchases and redemptions.

To protect investors from the negative impact of these practices, Nationwide has implemented, or reserves the right to implement, several processes and/or restrictions aimed at eliminating the negative impact of active trading strategies. Nationwide makes no assurance that all of the risks associated with short-term trading will be completely eliminated by these processes and/or restrictions.

U.S. Mail Restrictions

Nationwide monitors transfer activity in order to identify those who may be engaged in harmful trading practices. As a result of this monitoring process, Nationwide may restrict the method of communication by which transfer orders will be accepted.

Other Restrictions

Nationwide reserves the right to refuse or limit transfer requests, or take any other action it deems necessary, in order to protect investors from the negative investment results that may result from short-term trading or other harmful investment practices. In particular, trading strategies designed to avoid or take advantage of Nationwide's monitoring procedures (and other anti-abusive trading measures) that are determined by Nationwide to constitute harmful trading practices, may be restricted.

Valuing the Portfolio's Shares

Portfolio Trades

Each subadviser will seek to obtain the best combination of price and execution when placing Portfolio trades, which involves a number of factors, as described below. The subadvisers exercise full discretion with respect to Portfolio trades. Such trades are subject to applicable regulatory restrictions and any related procedures adopted by the Board of the Portfolio. Related procedures are implemented through investment advisory contracts with the Investment Adviser and the subadvisers.

Nationwide will deduct, or permit the subadvisers to deduct from their respective sleeves, all expenses associated with maintaining the Portfolio's assets, such as any expenses or taxes arising from the purchase or sale of securities for the Portfolio, including expenses associated with utilization of a transition manager in the event a subadviser is replaced or a large transition of Portfolio assets takes place (*e.g.,* in the case of a complete liquidation of the Portfolio). Fees, such as brokerage fees are added to the cost basis of securities when purchased and deducted from proceeds when sold. Therefore, each purchase or redemption transaction is effectively debited or credited to the Portfolio's assets on a "net" basis.

NFA and each subadviser is responsible for decisions to buy and sell securities and other investments for the Funds, the selection of brokers and dealers to effect the transactions and the negotiation of brokerage commissions, if any. In transactions on stock and commodity exchanges in the United States, these commissions are negotiated, whereas on foreign stock and commodity exchanges these commissions are generally fixed and are generally higher than brokerage commissions in the United States. In the case of securities traded on the over-the-counter markets or for securities traded on a principal basis, there is generally no commission, but the price includes a spread between the dealer's purchase and sale price. This spread is the dealer's profit. In underwritten offerings, the price includes a disclosed, fixed commission or discount. Most short-term obligations are normally traded on a “principal” rather than agency basis. This may be done through a dealer (*e.g.*, a securities firm or bank) who buys or sells for its own account rather than as an agent for another client, or directly with the issuer.

Except as described below, the primary consideration in portfolio security transactions is best price and execution of the transaction, *i.e.*, execution at the most favorable prices and in the most effective manner possible. "Best price-best execution" encompasses many factors affecting the overall benefit obtained by the client account in the transaction including, but not necessarily limited to, the price paid or received for a security, the commission charged, the promptness, availability and reliability of execution, the confidentiality and placement accorded the order, and customer service. Therefore, "best price-best execution" does not necessarily mean obtaining the best price alone but is evaluated in the context of all the execution services provided. NFA and the subadvisers have complete freedom as to the markets in and the broker-dealers through which they seek this result.

Subject to the primary consideration of seeking best price-best execution and as discussed below, securities may be bought or sold through broker-dealers who have furnished statistical, research, and other information or services to NFA or a subadviser. In placing orders with such broker-dealers, NFA or the subadviser will, where possible, take into account the comparative usefulness of such information. Such information is useful to NFA or a subadviser even though its dollar value may be indeterminable, and its receipt or availability generally does not reduce NFA’s or a subadviser's normal research activities or expenses.

There may be occasions when portfolio transactions for a Fund are executed as part of concurrent authorizations to purchase or sell the same security for trusts or other accounts (including other mutual funds) served by NFA or a subadviser or by an affiliated company thereof. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to a Fund, they are effected only when NFA or a subadviser believes that to do so is in the interest of the Fund. When such concurrent authorizations occur, the executions will be allocated in an equitable manner.

In purchasing and selling investments for the Funds, it is the policy of NFA and each subadviser to obtain best execution at the most favorable prices through responsible broker-dealers. The determination of what may constitute best execution in a securities transaction by a broker involves a number of considerations, including the overall direct net economic result to the Fund (involving both price paid or received and any commissions and other costs paid), the efficiency with which the transaction is effected, the ability to effect the transaction at all when a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future, the professionalism of the broker, and the financial strength and stability of the broker. These considerations are judgmental and are weighed by NFA or a subadviser in determining the overall reasonableness of securities executions and commissions paid. In selecting broker-dealers, NFA or a subadviser will consider various relevant factors, including, but not limited to, the size and type of the transaction; the nature and character of the markets for the security or asset to be purchased or sold; the execution efficiency, settlement capability and financial condition of the broker-dealer’s firm; the broker-dealer’s execution services, rendered on a continuing basis; and the reasonableness of any commissions.

NFA and each subadviser may cause a Fund to pay a broker-dealer who furnishes brokerage and/or research services a commission that is in excess of the commission another broker-dealer would have received for executing the transaction if it is determined, pursuant to the requirements of Section 28(e) of the Securities and Exchange Act of 1934, that such commission is reasonable in relation to the value of the brokerage and/or research services provided. Such research services may include, among other things, analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, analytic or modeling software, market data feeds and historical market information. Any such research and other information provided by brokers to NFA or a subadviser is considered to be in addition to and not in lieu of services required to be performed by it under its investment advisory or subadvisory agreement, as the case may be. The fees paid to NFA or a subadviser pursuant to its respective investment advisory or subadvisory agreement are not reduced by reason of its receiving any brokerage and research services. The research services provided by broker-dealers can be useful to NFA or a subadviser in serving its other clients. All research services received from the brokers to whom commission are paid are used collectively, meaning such services actually may not be utilized in connection with each client account that may have provided the commission paid to the brokers providing such services. NFA and the subadvisers are prohibited from considering the broker-dealers sale of shares of any Fund for which it serves as investment adviser or subadviser, except as may be specifically permitted by law.

How Portfolio Shares are Priced

The share price or net asset value ("NAV") for the Portfolio will be calculated each business day as of the close of trading on the New York Stock Exchange ("NYSE"). Generally, this time is 4:00 p.m. (ET). Portfolio shares will not be priced on the days on which the NYSE is closed for trading.

The Portfolio's NAV will be calculated by Nationwide or its designated custodian/transfer agent by using the following formula:

$$\text{NAV} = \frac{\text{Total market value of securities + Cash and other assets – Liabilities}}{\text{Number of outstanding shares}}$$

Important points to know:

- Shares are priced only on days when the NYSE is open.
- Portfolio shares may not be redeemed or redemption may be postponed if the NYSE is closed other than a weekend or holiday (*e.g.*, for a national emergency, or for any reason or period permitted by the SEC).
- Orders for purchase, redemption or exchange must be in "good order," in other words, they must be received by the close of trading on the NYSE (generally, 4:00 p.m. ET) and be in a format acceptable to Nationwide.
- Nationwide accepts orders for purchase, redemption, or exchange by U.S. mail. Other means of communicating trades may be available, such as through the internet or the telephone unless a restriction has been placed upon an investor's account due to short-term trading or other abusive trading activity.
- Orders for purchase, redemption, or exchange that are received in good order will be priced at the NAV next calculated following receipt of the order.

The Portfolio's investments are generally valued at current market prices. Securities traded on an exchange are valued based on the last sale price during the regular trading session or the "closing price." Securities that are not traded primarily on an exchange are generally valued using quote bid prices. Prices for the securities held by the Portfolio will be obtained using independent pricing services, or if unavailable, by the Investment Adviser or subadvisers.

Liquidation

If the Portfolio is liquidated pursuant to a decision of the Board of Managers, the Portfolio's assets will be liquidated and the amount attributable to each participant will be allocated to an available, comparable investment option or to an available money market option of the Plan (as directed by the Plan sponsor). Plan sponsors will be notified in advance of any liquidation of the Portfolio's assets. Several factors could result in a decision to liquidate the Portfolio, including but not limited to, the inability of the Investment Adviser and/or subadvisers to meet the Portfolio's stated investment objective, increases in the cost of operating the Portfolio, asset levels, and/or continued poor market experience. The Board of Managers will also take into account the continued profitability to Nationwide of maintaining the Portfolio.

OTHER INFORMATION ABOUT THE PORTFOLIO

Statements and Portfolio Information

This *Offering Memorandum* is the primary source of disclosure for the Portfolio. It is considered the offering document and should be read prior to investing. The *Offering Memorandum* will be updated periodically, as needed, and made available via Nationwide's website (www.nrsforu.com). By choosing to invest in the Portfolio, you agree to retrieve updates to this document by visiting our website. Paper versions of this document as well any updates are available upon request, see *Purchasing or Redeeming Portfolio Shares*.

Investors may also view information about the Portfolio in quarterly account statements containing account balance and trade/exchange information. Fact sheets and other sales materials will also be available. In the event that any representations or statements made in sales materials conflict with statements or representations contained in the *Offering Memorandum*, the *Offering Memorandum* will govern.

Investors should review statements and confirmations carefully. All errors or corrections must be reported to Nationwide immediately to assure proper crediting to the account. Unless Nationwide is notified within 30 days of receipt of the statement, Nationwide will assume statements and confirmation statements are correct.

Tax Considerations

Interests in the Portfolio are available as investment options only through participation in a Plan, either directly or through ownership of a variable annuity contract. The Portfolio intends to derive substantially all of its gross income from (a) dividends, (b) interest, (c) gains from the sale or other disposition of stock or other securities, and (d) other income (including but not limited to gains from the sale of options, futures, or forward contracts) derived with respect to the Portfolio's business of investing in such stock and other securities.

Investors are encouraged to speak with their own financial or tax advisor for advice regarding specific tax questions.

Anti-Money Laundering and Office of Foreign Assets Control

Nationwide will implement procedures reasonably designed to comply with all applicable Anti-Money Laundering and Office of Foreign Assets Controls laws and any applicable rules promulgated thereunder in order to reasonably prevent the Portfolio from being used to facilitate money laundering, the financing of terrorist activities, or the conducting of transactions with Specially Designated Nationals (SDN) and Blocked Persons.

CONFLICTS OF INTEREST

NFA is a wholly-owned subsidiary of Nationwide Financial Services, Inc. ("Nationwide Financial"). Nationwide Financial is a wholly-owned subsidiary of Nationwide Corporation which in turn is wholly-owned by Nationwide Mutual Insurance Company (95.2%) and Nationwide Mutual Fire Insurance Company (4.8%) (collectively, "Nationwide Mutual"). Nationwide Mutual, a mutual insurance company, directly or indirectly owns and controls several financial industry companies, including broker-dealers, investment advisers, insurance companies and a bank. NFA has business arrangements with certain of these related companies that are material to NFA's advisory business or its clients. In some cases, these business arrangements may create a potential conflict of interest, or appearance of a conflict of interest between NFA and its clients. Certain employees and officers of NFA may also be employees or officers simultaneously of such other affiliated entities.

Nationwide selects the funding options (generally, mutual funds) it makes available in its retirement products. Consistent with the purposes of such retirement products, Nationwide generally seeks to offer a comprehensive, competitive array of funding options in its products; accordingly, the removal or addition of investment options from time to time is integral to Nationwide's ability to continue offering retirement products with diverse investment options.

Certain mutual funds or their advisers and/or affiliates, whose funds are offered through Nationwide products, make payments to Nationwide. Such payments are typically mutual fund 12b-1 fees, which are deducted from mutual fund assets; sub-transfer agent fees or fees pursuant to administrative service plans adopted by the mutual fund, which may be deducted from mutual fund assets; and payments by a mutual fund's adviser or subadviser (or its affiliates). Such payments may be derived, in whole or in part, from the advisory fee that is deducted from mutual fund assets and reflected in the mutual fund charges. These payments may be used for any corporate purpose, which includes reducing the price of the retirement products, paying expenses that the Nationwide companies incur in promoting, marketing, and administering the retirement products, and achieving a profit. The subadvisers or their affiliates may advise mutual funds offered by Nationwide through its retirement products and therefore may compensate Nationwide in this manner.

With respect to the offering of the Portfolio in other Nationwide retirement products, Nationwide is both the sponsor of the retirement product and the sponsor of the investment option (the Portfolio). This structure makes selection of the Portfolio (and other funding options sponsored by affiliates of Nationwide) more advantageous to Nationwide in comparison to the selection of funding options sponsored by unaffiliated organizations. This advantage derives from the fact that Nationwide receives, in aggregate, more total compensation when an investment option it (or an affiliate) sponsors is selected.

Despite the incentives created by this arrangement, Nationwide offers the Portfolio on the same basis and on the same terms as any other investment option, affiliated or unaffiliated. This means that selection or rejection of the Portfolio is strictly a matter of choice that rests with retirement Plan purchasers (Plan sponsors) and their Plan participants. Selection of the Portfolio is in no way compulsory. Where Nationwide contracts or plan documents permit the substitution of investment options by Nationwide, (*i.e.*, where Nationwide may replace investment options currently available in the product with new investment options of its choosing), Nationwide will not substitute the Portfolio as an investment option without the election of the Plan sponsor.

Some individuals at NFA provide investment services to other Nationwide companies, which may present a conflict of interest. NFA makes investment decisions in connection with the management of mutual funds within the Nationwide Funds Group. NFA, acting on behalf of NLIC, assists NLIC with reviewing the investment options that are ultimately included in the variable life and variable annuity products issued by NLIC. To help mitigate potential conflicts of interest arising from the multiple roles and responsibilities that its management and investment personnel assume, NFA provides reports to the Portfolio's Board of Managers which are discussed at the Portfolio Board's periodic meetings. On a quarterly basis, NFA provides the Portfolio Board with a schedule of investments along with an allocation of assets among the subadvisers.

NFA uses qualitative and quantitative factors in selecting subadvisers to the Portfolio. Qualitative factors and analysis may play a greater role than quantitative factors and analysis in the selection and monitoring of these subadvisers.

As the Investment Adviser, NFA recommends to the Board of Managers of the Portfolio the selection of subadvisers to conduct the Portfolio's management and trading. Subadvisers that NFA recommends may have other material business arrangements with Nationwide Financial or other of its affiliates. For instance, the subadvisers to the Portfolio may also provide subadvisory services to other Nationwide funds. These arrangements can create conflicts of interest for NFA to the extent NFA recommends subadvisers primarily because of the benefits to NFA's affiliates derived from such other business arrangements. NFA has in place policies that govern the selection of subadvisers to the Nationwide Funds and the Portfolio, pursuant to which NFA discloses to the Board of Trustees of the Nationwide Funds and/or the Board of Managers of the Portfolio the existence of any such other business arrangements, and which require that NFA recommend subadvisers for reasons that are in the best interests of each Subadvised Account.

Consistent with applicable law, NFA has adopted order handling rules which seek to allocate investment opportunities to all accounts on a fair and equitable basis. NFA may make recommendations and take action with respect to a particular Client Account that may be the same or different from the recommendations made for other Client Accounts. NFA's order handling and operational procedures seek to identify transactions that may be deemed to create inconsistent positions among accounts, and information respecting those transactions is disseminated to all portfolio managers and investment personnel on a daily basis.

Portfolio managers may take an inconsistent position with other Client Accounts they manage, provided that the portfolio manager can establish an appropriate basis for the inconsistent position, such as the maintenance of different investment objectives and/or time horizons for the holders of the inconsistent position and the portfolio manager has documented the rationale for this difference.

NFA has established policies designed to ensure that all clients are treated in a fair and equitable manner. Additionally, purchases or sales of the same security may be made for two or more accounts on the same date. In such event, where possible, orders may be aggregated with other orders in accordance with NFA's trade aggregation procedures. It may not always be possible, or consistent with the investment objectives of various accounts, to take or eliminate the same investment positions at the same time or at the same price.

Where a subadviser is employed to directly manage all or a portion of a Subadvised Account, NFA has procedures designed to discern whether the subadviser has adopted adequate order handling rules and policies to ensure fair and equitable allocation practices as described above. Pursuant to such procedures, NFA undertakes due diligence of subadvisers and monitors them on an on-going basis to ensure subadvisers maintain compliance with such policies and procedures.

In addition, NFA or an employee or supervised person may buy or sell securities that NFA also recommends to clients. These transactions are subject to a Code of Ethics.

Further, NFA or an affiliate may, on infrequent occasions, sell securities to or buy securities from a Fund, acting as principal. Any such principal transaction will only be undertaken pursuant to an order for exemption issued pursuant to Section 17(b) of the 1940 Act or as otherwise legally permitted by the 1940 Act, subject in all instances to the oversight of the Nationwide Funds' Board of Trustees.

The Nationwide Funds may engage in cross-trading, subject to Rule 17a-7 under the 1940 Act and the procedures adopted by the Nationwide Funds' Board of Trustees. The LCG Portfolio also may engage in cross-trading, subject in all such instances to compliance with the Advisers Act, any other applicable law, and NFA's or the trading subadviser's fiduciary obligations thereunder. NFA does not make any principal transactions or agency cross transactions with respect to the LCG Portfolio, although a subadviser to the LCG Portfolio may effect an agency cross transaction in the manner and to the extent permitted by the Advisers Act or other applicable law.

LEGAL PROCEEDINGS

Nationwide Financial Services, Inc. (NFS, or collectively with its subsidiaries, "the Company") was formed in November 1996. NFS is the holding company for Nationwide Life Insurance Company (NLIC), Nationwide Life and Annuity Insurance Company (NLAIC) and other companies that comprise the life insurance and retirement savings operations of the Nationwide group of companies (Nationwide). This group includes Nationwide Financial Network (NFN), an affiliated distribution network that markets directly to its customer base. NFS is incorporated in Delaware and maintains its principal executive offices in Columbus, Ohio.

The Company is subject to legal and regulatory proceedings in the ordinary course of its business. The Company's legal and regulatory matters include proceedings specific to the Company and other proceedings generally applicable to business practices in the industries in which the Company operates. These matters are subject to many uncertainties, and given their complexity and scope, their outcomes cannot be predicted. Regulatory proceedings could also affect the outcome of one or more of the Company's litigation matters. Furthermore, it is often not possible to determine the ultimate outcomes of the pending regulatory investigations and legal proceedings or to provide reasonable ranges of potential losses with any degree of certainty. Some matters, including certain of those referred to below, are in very preliminary stages, and the Company does not have sufficient information to make an assessment of the plaintiffs' claims for liability or damages. In some of the cases seeking to be certified as class actions, the court has not yet decided whether a class will be certified or (in the event of certification) the size of the class and class period. In many of the cases, the plaintiffs are seeking undefined amounts of damages or other relief, including punitive damages and equitable remedies, which are difficult to quantify and cannot be defined based on the information currently available. The Company believes, however, that based on currently known information, the ultimate outcome of all pending legal and regulatory matters is not likely to have a material adverse effect on the Company's condensed consolidated financial position. Nonetheless, given the large or indeterminate amounts sought in certain of these matters and the inherent unpredictability of litigation, it is possible that such outcomes could materially affect the Company's condensed consolidated financial position or results of operations in a particular quarter or annual period.

The various businesses conducted by the Company are subject to oversight by numerous federal and state regulatory entities, including but not limited to the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Department of Labor, the Internal Revenue Service, the Federal Reserve Bank and state insurance authorities. Such regulatory entities may, in the normal course, be engaged in general or targeted inquiries, examinations and investigations of the Company and/or its affiliates. The financial services industry has been the subject of increasing scrutiny in connection with a broad spectrum of regulatory issues; with respect to all such scrutiny directed at the Company and/or its affiliates, the Company is cooperating with regulators. The Company will cooperate with Nationwide Mutual Insurance Company (NMIC) insofar as any inquiry, examination or investigation encompasses NMIC's operations.

On August 15, 2001, NFS and NLIC were named in a lawsuit filed in the United States District Court for the District of Connecticut entitled *Lou Haddock, as trustee of the Flyte Tool & Die, Incorporated Deferred Compensation Plan, et al v. Nationwide Financial Services, Inc. and Nationwide Life Insurance Company*. On November 18, 2009, the plaintiffs filed a sixth amended complaint amending the list of named plaintiffs and claiming to represent a class of qualified retirement plan trustees under the Employee Retirement Income Security Act of 1974 (ERISA) that purchased variable annuities from NLIC. The plaintiffs allege that they invested ERISA plan assets in their variable annuity contracts and that NLIC and NFS breached ERISA fiduciary duties by allegedly accepting service payments from certain mutual funds. The complaint seeks damages in an amount equivalent to some or all of the payments allegedly received by NFS and NLIC, other unspecified relief for restitution, declaratory and injunctive relief, and attorneys' fees. On November 6, 2009, the Court granted the plaintiff's motion for class certification. On October 21, 2010, the District Court dismissed NFS from the lawsuit. On February 6, 2012, the Second Circuit Court of Appeals vacated the November 6, 2009 order granting class certification and remanded the case back to the District Court for further consideration. On September 6, 2013, the District Court granted the plaintiffs' motion for class certification. On December 11, 2014, the plaintiffs filed a Seventh Amended Complaint adding another sub class of defendants that held trust platform products. On December 11, 2014, plaintiffs filed a motion for preliminary approval of settlement. On January 5, 2015, the Court signed the Order Preliminarily Approving Settlement and Approving Form and Manner of Notice. A Fairness Hearing has been set for March 31, 2015. NFS has made adequate provision for all probable and reasonably estimable losses associated with this settlement.

On November 20, 2007, Nationwide Retirement Solutions, Inc. (NRS) and NLIC were named in a lawsuit filed in the Circuit Court of Jefferson County, Alabama entitled *Ruth A. Gwin and Sandra H. Turner, and a class of similarly situated individuals v. Nationwide Life Insurance Company, Nationwide Retirement Solutions, Inc., Alabama State Employees Association, PEBCO, Inc. and Fictitious Defendants A to Z*. On March 12, 2010, NRS and NLIC were named in a Second Amended Class Action Complaint filed in the Circuit Court of Jefferson County, Alabama entitled *Steven E. Coker, Sandra H. Turner, David N. Lichtenstein and a class of similarly situated individuals v. Nationwide Life Insurance Company, Nationwide Retirement Solutions, Inc., Alabama State Employees Association, Inc., PEBCO, Inc. and Fictitious Defendants A to Z* claiming to represent a class of all participants in the Alabama State Employees Association, Inc. (ASEA) Plan, excluding members of the Deferred Compensation Committee, ASEA's directors, officers and board members, and PEBCO's directors, officers and board members. On October 22, 2010, the parties to this action executed a court approved stipulation of settlement that agreed to certify a class for settlement purposes only, that provided for payments to the settlement class, and that provided for releases, certain bar orders, and dismissal of the case. The settlement fund has been paid out. On December 6, 2011, the Court entered an Order that NRS owed indemnification to ASEA and PEBCO for only the Coker (Gwin) class action, and dismissed NLIC. The Company resolved the indemnification claims of ASEA. On February 15, 2013, the Court issued its Order determining the amount of fees due to PEBCO on its indemnification claim. On March 28, 2014, the Alabama Supreme Court reversed the trial Court decision awarding PEBCO its attorney fees and remanded the case back to the trial court to enter a judgment in favor of NRS. PEBCO's counsel has asked the court to reconsider its decision. On August 29, 2014 the Alabama Supreme Court denied PEBCO's request for reconsideration. The claims against Nationwide have now been dismissed.

Lehman Brothers Holdings, Inc. (Debtors) and Giddens, James v NLIC and NMIC, et al. In 2012 the Plaintiff, Debtor in Possession Lehman Brothers Special Financing, Inc., filed a class action in the United States Bankruptcy Court for the Southern District of New York seeking the recovery of certain assets from approximately 200 defendants, including Nationwide Life Insurance Company (NLIC) and Nationwide Mutual Insurance Company (NMIC) (the "Distributed Action"). The claims against NLIC and NMIC arise from the bankruptcy filings in 2008 of the Plaintiff and its parent company, Lehman Brothers Holding, Inc., which triggered the early termination of two collateralized debt obligation transactions, resulting in payments to NLIC and NMIC. The Plaintiff seeks to have certain sums returned to the bankruptcy estate in addition to prejudgment interest and costs. In 2013, Plaintiff sent correspondence to all defendants inviting settlement discussions and served NMIC and NLIC with a “SPV Derivatives ADR Notice,” formally starting the Alternative Dispute Resolution process. NMIC and NLIC responded, taking part in the ADR process, including a mediation. On July 17, 2014, the parties reached a settlement of this matter. On December 8, 2014, the settlement agreements were finalized and executed. Nationwide has issued the settlement payment, was dismissed from the case with prejudice on December 31, 2014, and this matter will soon be closed.

APPENDIX A: INVESTMENT GUIDELINES

Neither the Investment Adviser nor the subadvisers give any warranty as to the performance or profitability of the Portfolio or any sleeve thereof, nor any guarantee that the investment objectives, expectations or targets described in the Investment Advisory Agreement, Investment Sub-Advisory Agreements and/or in these Investment Guidelines will be achieved, including without limitation any risk control, risk management or return objectives, expectations or targets. The Portfolio may suffer loss of principal, and income, if any, may fluctuate. The value of Portfolio investments may be affected by a variety of factors, including, but not limited to, economic and political developments, interest rates and issuer-specific events, market conditions, sector positioning, and other factors.

The Investment Guidelines for each sleeve are provided for informational purposes only. They are subject to change, without notice to you.

General Diversification Guidelines

Internal Revenue Code Concentration Requirements. The Portfolio shall comply with the diversification requirements of Section 817(h) of the Internal Revenue Code of 1986, as amended, (the "Code") and regulations issued thereunder.

Ohio Separate Account Law Concentration Requirements. The Portfolio shall comply with the diversification and concentration requirements of the second paragraph of Section 3907.15 of the Ohio Revised Code currently in effect.

Core Growth Sleeve

(Large Cap Equity Growth)
Winslow Capital Management LLC

Sleeve Objective

The large cap growth equity sleeve seeks long term capital appreciation.

Under normal circumstances, the Fund invests at least 80% of its assets (net assets plus any borrowings for investment purposes) in large capitalization companies, which are companies having a market capitalization in excess of $4 billion at the time of purchase.

Strategy Benchmark

Russell 1000® Growth Index

Investment Guidelines

- Maximum single issuer position weight: the greater of 5% (at market) or the issuer's benchmark (Russell 1000® Growth) weight plus 100 basis points.
- 5% maximum position (at market) of shares outstanding and float of single issuer.
- No foreign stocks unless listed on NYSE or broadly traded on NASDAQ.
- No short sales.
- No uncovered puts, calls, straddles or hedging. Covered options acceptable.
- No lettered or restricted stock.
- Use of stock options permitted as a hedging technique. No speculation in financial futures or commodities.
- No margin purchases or private placements.
- 15% maximum in any one industry. (S&P classification)
- No more than 10% cash without notifying client.
- No investment that would create a concentration by GICS sector more than or less than 10 percentage points of the Russell 1000® Growth GICS sector weighting at market.

Structured Equity Sleeve

(Blended Research - Large Cap Growth Equity)
Massachusetts Financial Services Company

Note: Capitalized terms used and not otherwise defined in these Investment Guidelines have the respective meanings given those terms in the Investment Management Agreement (the "Agreement") between Nationwide Fund Advisors ("Adviser") and Massachusetts Financial Services Company ("Sub-Adviser") with respect to the Portfolio.

Sleeve Objective

The objective of the Blended Research – Large Cap Growth strategy, while not guaranteed, is to outperform the Russell 1000® Growth Index over a full market cycle with a controlled tracking error.

Investment Strategy

The strategy combines two sources of MFS research, fundamental and quantitative, focusing on large-cap growth companies selling at reasonable valuations with an unrecognized catalyst.

The investment universe is typically defined as the 1000 largest U.S. issuers which may be considered by the Sub-Adviser as style appropriate (approximately 800 names).

Strategy Benchmark

The Benchmark for the Account is the Russell 1000® Growth Index (Total Return), unhedged, measured in U.S. Dollars.

The Sub-Adviser offers no guarantee of investment performance, profitability or those performance objectives will be met. The sole purpose of referencing a benchmark or other index in the Investment Guidelines is to measure performance. Accordingly, the weightings, composition and other characteristics of the Portfolio may be different from the Benchmark or other index and the Portfolio may contain securities outside the Benchmark or other index. The objectives, goals, any tracking error range and other performance measures described in the Investment Guidelines serve only as guidelines and not as requirements.

Eligible Investments

- Investments directly in or that give exposure to: common stock, preferred stock, shares (fully paid or contributing), convertible securities, preference shares or stock, depository receipts, share warrants, REITs, and all other securities deemed by the Sub-Adviser to be of an equity nature.
- Participation in Initial Public Offerings and trading securities on a "When Issued" basis are permitted.
- The use of Exchange Traded Funds (ETFs) and/or Futures for the purposes of equitizing transactional cash is permitted;
- Investments in Restricted Securities such as Rule 144A and/or Regulation S securities and Private Placement securities are permitted. These securities should be deemed by the Sub-Adviser to be liquid. The Adviser confirms that the Portfolio is permitted to purchase 144A securities and is considered a Qualified Institutional Buyer; otherwise these securities may be restricted by the Sub-Adviser.

The Portfolio's investment limitations and restrictions are set forth below:

Investment Guidelines

- The portfolio shall be fully invested under normal circumstances (except for transactional cash) with a maximum cash allocation of 5%.
- The weighting of any one issuer in the Portfolio should be generally within +/- 2% of the Benchmark's weighting of that issuer (at market value). For the avoidance of doubt, if the Benchmark weighting is 3% in an issuer then the Portfolio may hold between 1% to 5% in that issuer. The minimum issuer weighting is 0%.
- The minimum weighting of issuers that are large capitalization (in excess of $1 billion market capitalization) is 80% of the Portfolio's market value (at market).

- The portfolio will typically transact in securities of issuers domiciled or incorporated in the United States. Securities of issuers domiciled or incorporated outside the United States are also permitted, if included in any major U.S. indices (e.g., S&P 500, Russell 1000, MSCI U.S. Index, NASDAQ Composite).

Investment Restrictions

- Illiquid securities are not permitted. In the event that a security that was purchased while liquid is later deemed illiquid, it may continue to be held in the portfolio.
- Short sales are not permitted.
- Swaps are not permitted.

Other Information

For the avoidance of doubt, where the limitations above are affected by items out of the Sub-Adviser's control (e.g., cash inflows, cash outflows, market action), will not be considered as a breach of the guidelines and the Sub-Adviser will take action to resolve the temporary non-compliance as soon as practicable. The time to bring the Portfolio back into compliance could take several days (e.g., 5 days) to resolve.

For the limitations above that refer to 'at the time of purchase', the Sub-Adviser will not make additional purchases over the stated limit. However, the Sub-Adviser is not required to, and generally will not, sell down a position to bring the weighting below the limit stated.

Trading Currency. The trading currency for the portfolio is US Dollars (USD) unless specifically instructed by the Adviser to the Sub-Adviser to the contrary. The Adviser permits the Sub-Adviser to manage the residual cash of USD by purchasing short-term instruments such as, but not limited to, commercial paper, bank obligations (e.g. certificates of deposit and bankers' acceptance) repurchase agreements, and various obligations of the U.S. government, its agencies and municipalities.

Reporting Currency. The reporting currency of the portfolio is US Dollars.

The Sub-Adviser shall comply with its Operational and Compliance Standards, a copy of which shall be provided to the Adviser.

Intrinsic Growth Sleeve

(Large Cap Diversified Growth)
Smith Asset Management Group, LP

Sleeve Objective

To seek to provide excess return over a market cycle relative to the Russell 1000® Growth Index through the active management of equities of large capitalization companies similar to those in the index.

Investment Strategy

The strategy is a large cap growth portfolio that employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations..

Investment Guidelines

Generally, the Portfolio's universe includes common stocks with market capitalization consistent with the Russell 1000® Index. This generally includes a broad list of equity issues across several market categories. Money market instruments may be used when cash balances are to be invested; otherwise the Portfolio will tend to be fully invested. The Portfolio may also buy and sell futures contracts, index options, Exchange-Traded Funds (ETFs), and other index-linked derivatives in order to maintain a fully invested position while at the same time accommodating liquidity requirements.

Securities of a single issuer should not exceed the greater of the respective security weight in the benchmark by more than 4 percentage points or 10% of the portfolio on a market value basis.

Typically the portfolio will be fully invested with less than 5% of assets invested in cash.

Under no circumstances will the use of leveraged instruments be permitted.

Eligible Investments

- The Sub-Adviser will invest primarily in stocks listed on U.S. exchanges, including OTC.
- The Sub-Adviser may invest in all types of securities (including common stock, preferred stock, 144As, American Depositary Receipts (ADRs), Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs)), securities convertible into common stock, warrants, rights, equity options, equity swaps, exchange traded futures and options, equitized real estate companies, and shares issued by closed-end investment companies.
- Derivatives: Futures contracts, Options and other derivatives may be used for hedging purposes only, which will typically involve "equitizing" cash positions to remain fully invested.
- Stock and bonus rights held in the Account as a result of corporate actions are not deemed derivative instruments.
-