

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name NATIONWIDE GOVERNMENT BOND FUND		2 Issuer's employer identification number (EIN) 31-1594453	
3 Name of contact for additional information NATIONWIDE FUNDS	4 Telephone No. of contact 1-800-848-0920	5 Email address of contact web_help@nationwide.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. BOX 701		7 City, town, or post office, state, and Zip code of contact MILWAUKEE, WI 53201-0701	
8 Date of action 10/31/2016		9 Classification and description COMMON STOCK - REGULATED INVESTMENT COMPANY	
10 CUSIP number SEE ATTACHED	11 Serial number(s) N/A	12 Ticker symbol SEE ATTACHED	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ NATIONWIDE GOVERNMENT BOND FUND PAID DAILY DISTRIBUTIONS TO COMMON SHAREHOLDERS FROM JANUARY TO DECEMBER 2016. PART OF THE DISTRIBUTIONS CONSTITUTE A NON-TAXABLE RETURN OF CAPITAL. SEE ATTACHED FOR DETAILS.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A DISTRIBUTION THAT CONSTITUTE A NON-TAXABLE RETURN OF CAPITAL WILL DECREASE A U.S. TAXPAYER'S BASIS IN SHARES OF NATIONWIDE GOVERNMENT BOND FUND. SEE ATTACHED FOR DETAILS.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ AT THE CLOSE OF THE FUND'S FISCAL YEAR ENDED ON 10/31/2016, THE FUND'S CURRENT AND ACCUMULATED E&P WAS CALCULATED UNDER IRC SECTION 312 AS MODIFIED BY SECTION 852(c) FOR A REGULATED INVESTMENT COMPANY (RIC) AND THE REGULATIONS THEREUNDER. THE AMOUNT OF E&P WAS COMPARED TO THE AMOUNT OF THE FUND'S FISCAL YEAR DISTRIBUTIONS TO SHAREHOLDERS. DISTRIBUTIONS IN EXCESS OF E&P WERE CHARACTERIZED AS RETURN OF CAPITAL AND SHOULD BE APPLIED AS A REDUCTION IN EACH SHAREHOLDER'S TAX BASIS IN THE APPLICABLE SHARES.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **INTERNAL REVENUE CODE SECTIONS 301, 316 AND 852.**

18 Can any resulting loss be recognized? **NO**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year **THIS ORGANIZATIONAL ACTION IS REPORTABLE WITH RESPECT TO CALENDAR YEAR 2016. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE EFFECT OF THE NON-TAXABLE RETURN OF CAPITAL IN LIGHT OF THEIR INDIVIDUAL CIRCUMSTANCES.**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature **A signed copy is maintained by the issuer** Date **12/21/16**

Print your name **Jacqueline Payton** Title **Assistant Treasurer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	RAUL POSADA		12/15/16		P00626199
	Firm's name KPMG LLP, 4200 WELLS FARGO CENTER,	Firm's EIN 13-5565207		Phone no. 612-305-5000	
	Firm's address 90 SOUTH 7TH STREET, MINNEAPOLIS, MN 55402				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Nationwide Government Bond Fund - Return of Capital Analysis

Shareholders of record on distribution date listed below will decrease their tax basis as follows:

<u>Share Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>Distribution Date</u>	<u>Total Distribution</u>	<u>Total ROC</u>
Class A	63867R373	NUSAX	Daily	217,891.55	11,309.00
Class C	63867R357	GGBCX	Daily	3,832.32	199.00
Class R	63867R332	GGBRX	Daily	4,806.41	251.00
Institutional Service Class	63867R340	NAUGX	Daily	484,529.73	25,149.00