



Nationwide® Target Destination Funds

Quarterly Commentary

Mutual funds

Commentary

Q3 2018

Asset class: Allocation
Objective: Seeks capital appreciation and income consistent with its current asset allocation

Share class
Class A
Class C
Class R
Class R6
Inst Svc

Strategy Overview

The Nationwide Target Destination Funds (TD Funds) consist of 11 fund-of-funds that invest in a mix of equity and fixed income asset classes. The name of each Fund contains a date that corresponds to a target retirement year and assumes age 65 as the retirement age. The Funds are designed as single source investments for individuals saving for retirement. Allocations are periodically adjusted by the portfolio managers, and risk profiles are gradually reduced as the target retirement year approaches. The Funds invest in a mix of active and passive underlying mutual funds and ETFs. The underlying holdings are a mix of nonproprietary and Nationwide-branded investments managed by various sub-advisers.

NATIONWIDE'S MARKET REVIEW

Equity markets rallied for the second consecutive quarter, with the S&P 500® Index delivering a positive return in 21 of the last 23 quarters. Following volatility in the first quarter of the year on fears of inflation, interest rates, geopolitical stress and trade disagreements, investors have refocused on the strong fundamental backdrop. The economy is strong, with GDP growth of 3.2% forecast for the third quarter, following 4.2% in the second quarter. Consumer, small business and executive confidence remains near record levels, and appears to be driving improved consumer and capital spending. Corporate profits provide strong support for equity market returns, with growth for the S&P 500 expected at 21% and the S&P Small Cap 600 could grow 35%. Corporate share repurchases are contributing to earnings and generating demand for shares, with buyback authorizations likely to top \$1 trillion this year. Each month of the quarter had positive performance, with the S&P 500 returning 11% for the year.

During the third quarter, the S&P, Dow Jones Industrial Average and NASDAQ Composite Index returned +7.7%, +9.0% and +7.4% respectively. For the S&P 500, it was the best performance since 2013. Growth stocks outperformed value, and large-caps outperformed small. Leading sectors for the quarter included health care, industrials and technology, while materials, energy and real estate lagged. During the quarter, the Federal Open Market Committee (FOMC) raised their Federal Funds target rate by 0.25% (third hike this year), with an expectation for one additional hike for 2018. The Fed's "dot plot" points to three additional hikes for 2019, bringing the range to between 3.00% and 3.25%, though the futures market is suggesting a more gradual pace. Interest rates rose for the fifth-straight quarter, with the 10-year yield closing near a seven-year high of 3.05%. The yield curve flattened, with the spread between the 10-year and 2-year Treasury yields falling to 0.25%. Despite the rising rates, tightening credit spreads allowed the Bloomberg Barclays U.S. Aggregate Bond Index to deliver a slight positive return.

Portfolio management



Nationwide Fund Advisors (NFA)



Christopher C. Graham
Chief Investment Officer
Fund tenure since 2016



Keith P. Robinette, CFA
Senior Director of Asset Strategies
Fund tenure since 2017



Andrew Urban, CFA
Senior Director of Asset Strategies
Fund tenure since 2017

While positive, international equity markets lagged on concerns over global growth and trade tensions, with the MSCI EAFE® Index returning +1.4% and the MSCI Emerging Markets® Index returning -1.0%.

PERFORMANCE REVIEW

For the third quarter of 2018, the TD funds (R6 shares) provided strong performance relative to peers, as all 11 Funds outperformed their respective Morningstar categories during the quarter. The continued strong performance has boosted longer term results as well, as all 11 funds outperformed their respective categories over the last 12- and 36-month periods ending 9/30/18.

Among underlying investments during the quarter, US equity funds, led by the Nationwide S&P 500 Index Fund, contributed, while the iShares Core MSCI Emerging Markets ETF detracted. Fixed income funds were mixed in performance with the iShares 20+ Year Treasury Bond ETF detracting amid rising interest rates, but credit oriented investments such as the Nationwide Amundi Strategic Income Fund and the iShares iBoxx High Yield Corporate Bond ETF, were additive as credit spreads remained relatively tight.

Fund-by-Fund results:

TD 2010 Fund:

Returned 2.21% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2000-2010

TD 2015 Fund:

Returned 2.37% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2015

TD 2020 Fund:

Returned 2.69% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2020

TD 2025 Fund:

Returned 2.87% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2025

TD 2030 Fund:

Returned 3.34% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2030

TD 2035 Fund:

Returned 3.50% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2035

TD 2040 Fund:

Returned 3.93% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2040

TD 2045 Fund:

Returned 4.06% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2045

TD 2050 Fund:

Returned 4.08% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2050

TD 2055 Fund:

Returned 4.13% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2055

TD 2060 Fund:

Returned 4.06% for the quarter, beating its prospectus benchmark, and outperforming its Morningstar category, US Fund Target-Date 2060+

CONTRIBUTORS

The largest contributors to the performance of the Funds were the Nationwide S&P 500 Index Fund, the Nationwide Mid Cap Market Index Fund, and the Nationwide International Index Fund. Strong performance coupled with significant allocations across the suite of funds resulted in the considerable contribution to performance.

| Underlying Investment | 2060 | | 2055 | | 2050 | | 2045 | | 2040 | | 2035 | |
|---|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|
| | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution |
| Nationwide S&P 500 Index | 40.5% | 3.12 | 40.5% | 3.12 | 40.0% | 3.08 | 39.5% | 3.04 | 38.5% | 2.96 | 35.5% | 2.73 |
| Nationwide Mid Cap Market Index | 16.0% | 0.61 | 16.0% | 0.61 | 15.5% | 0.59 | 14.5% | 0.55 | 14.0% | 0.53 | 11.0% | 0.42 |
| Nationwide Small Cap Index | 6.5% | 0.23 | 6.5% | 0.23 | 6.0% | 0.21 | 6.0% | 0.21 | 5.5% | 0.20 | 5.5% | 0.20 |
| Nationwide International Index | 23.0% | 0.28 | 23.0% | 0.28 | 22.5% | 0.28 | 22.0% | 0.27 | 21.5% | 0.26 | 21.5% | 0.26 |
| iShares Core MSCI Emerging Markets ETF | 7.0% | -0.10 | 7.0% | -0.10 | 7.0% | -0.10 | 7.0% | -0.10 | 6.5% | -0.09 | 6.5% | -0.09 |
| Nationwide Bond Index | 5.0% | 0.00 | 5.0% | 0.00 | 6.0% | 0.00 | 7.0% | 0.00 | 7.0% | 0.00 | 10.5% | 0.00 |
| Nationwide Core Plus Bond | 1.0% | 0.00 | 1.0% | 0.00 | 1.0% | 0.00 | 2.0% | 0.01 | 3.0% | 0.01 | 3.0% | 0.01 |
| iShares iBoxx \$ High Yield Corp Bd ETF | 1.0% | 0.02 | 1.0% | 0.02 | 2.0% | 0.05 | 2.0% | 0.05 | 2.0% | 0.05 | 1.0% | 0.02 |
| Nationwide Amundi Strategic Income | | | | | | | | | | | 2.5% | 0.05 |
| Nationwide Contract | | | | | | | | | 2.0% | 0.01 | 3.0% | 0.02 |

Source: Morningstar, 09/30/18.

The results shown represent past performance; past performance does not guarantee future results. Current performance may be lower or higher than the past performance shown, which does not guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares.

| Underlying Investment | 2030 | | 2025 | | 2020 | | 2015 | | 2010 | |
|---|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|
| | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution | Port weight | Contribution |
| Nationwide S&P 500 Index | 32.5% | 2.50 | 29.5% | 2.27 | 27.0% | 2.08 | 24.0% | 1.85 | 23.5% | 1.81 |
| Nationwide Mid Cap Market Index | 10.0% | 0.38 | 8.0% | 0.30 | 7.5% | 0.29 | 6.0% | 0.23 | 5.5% | 0.21 |
| Nationwide Small Cap Index | 4.5% | 0.16 | 4.0% | 0.14 | 2.5% | 0.09 | 2.0% | 0.07 | 1.5% | 0.05 |
| Nationwide International Index | 20.5% | 0.25 | 19.0% | 0.23 | 17.0% | 0.21 | 15.0% | 0.18 | 11.5% | 0.14 |
| iShares Core MSCI Emerging Markets ETF | 5.5% | -0.08 | 4.0% | -0.05 | 2.5% | -0.03 | 2.0% | -0.03 | 1.0% | -0.01 |
| Nationwide Bond Index | 13.0% | 0.00 | 12.0% | 0.00 | 14.0% | 0.00 | 11.5% | 0.00 | 14.0% | 0.00 |
| iShares 20+ Year Treasury Bond ETF | | | 2.5% | -0.08 | 2.0% | -0.06 | 3.0% | -0.09 | 3.0% | -0.09 |
| Nationwide Core Plus Bond | 6.0% | 0.02 | 7.0% | 0.02 | 8.0% | 0.03 | 9.0% | 0.03 | 9.0% | 0.03 |
| iShares iBoxx \$ High Yield Corp Bd ETF | 0.5% | 0.01 | | | | | | | | |
| Nationwide Amundi Strategic Income | 2.5% | 0.05 | 3.5% | 0.07 | 4.0% | 0.07 | 5.5% | 0.10 | 5.5% | 0.10 |
| Nationwide Inflation-Prot Secs | 1.0% | -0.01 | 2.0% | -0.02 | 4.5% | -0.04 | 6.0% | -0.05 | 6.5% | -0.05 |
| Nationwide Contract | 4.0% | 0.03 | 8.5% | 0.06 | 11.0% | 0.07 | 16.0% | 0.11 | 19.0% | 0.13 |

Source: Morningstar, 09/30/18.

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DETRACTORS

Three of the twelve underlying investments in the series posted negative returns over the course of the quarter. The largest detractor from performance was the

iShares Core MSCI Emerging Markets ETF, followed by the iShares 20+ Year Treasury Bond ETF and the Nationwide Inflation Protected Securities Fund.

CURRENT PORTFOLIO POSITIONING

During the third quarter, the US dollar continued its strengthening trend through mid-August amidst international economic and trade worries, but stalled out during the last half of the quarter. US equities, particularly those with more US business, were thus boosted, while foreign-currency denominated equities were lower, especially in emerging markets. US fixed income faced higher yields as well as marginally wider spreads, which created opportunities for active fixed income strategies within the series.

No material changes were made to the allocations of the funds over the course of the quarter. Overall thematic positioning of overweight equities, overweight credit, and underweight duration paid off during the quarter. US large cap equities outperformed US small caps by a wide margin which also played well into the funds' positioning and was a reversal of what we saw in the second quarter.

OUTLOOK

As the overall economy and markets continue to exhibit typical characteristics of the latter stages of a business cycle, we would not expect any changes to the portfolios or the glidepath in the near term. Political and geopolitical risks have overshadowed some of the positive economic momentum, particularly outside of the US. While central banks are still accommodative, fiscal policy internationally remains restrained relative to the boost being received in the US via tax reform and other spending measures. Thus, the non-US equity allocations have been challenged on an absolute basis and relative to US equities. The team continues to monitor interest rates, credit spreads, and inflation in the US as well as the dynamics of international economies, currencies and their resulting impact on the portfolios.

Average annual total returns (%)

Nationwide Destination 2010

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|--------------|-------------|-------------|-------------|
| Class A (without sales charge) | 2.08 | 1.92 | 4.06 | 6.14 | 4.58 | 4.60 |
| Class A (with 5.75% max sales charge) | -3.79 | -3.94 | -1.92 | 4.06 | 3.35 | 3.98 |
| Class C | 1.92 | 1.36 | 3.36 | 5.44 | 3.89 | 3.98 |
| Class R | 2.14 | 1.73 | 3.93 | 5.87 | 4.31 | 4.32 |
| Class R6 | 2.21 | 2.18 | 4.59 | 6.65 | 5.06 | 5.10 |
| Institutional Service Class | 2.33 | 2.30 | 4.71 | 6.57 | 5.01 | 5.06 |
| Morningstar Lifetime Mod 2010 Index | 1.64 | 1.74 | 4.61 | 6.53 | 4.98 | 6.41 |
| Target-Date 2000-2010 Category | 1.43 | 1.09 | 3.40 | 6.33 | 4.87 | 5.92 |

Nationwide Destination 2015

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|--------------|-------------|-------------|-------------|
| Class A (without sales charge) | 2.14 | 1.99 | 4.71 | 7.03 | 5.14 | 5.39 |
| Class A (with 5.75% max sales charge) | -3.73 | -3.87 | -1.31 | 4.94 | 3.90 | 4.76 |
| Class C | 2.13 | 1.56 | 4.18 | 6.44 | 4.53 | 4.83 |
| Class R | 2.19 | 1.90 | 4.47 | 6.80 | 4.84 | 5.10 |
| Class R6 | 2.37 | 2.35 | 5.23 | 7.58 | 5.63 | 5.89 |
| Institutional Service Class | 2.31 | 2.16 | 4.98 | 7.32 | 5.37 | 5.62 |
| Morningstar Lifetime Mod 2015 Index | 1.77 | 1.75 | 4.96 | 7.16 | 5.45 | 6.83 |
| Target-Date 2015 Category | 1.76 | 1.55 | 4.24 | 7.04 | 5.34 | 6.40 |

Nationwide Destination 2020

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|--------------|-------------|-------------|-------------|
| Class A (without sales charge) | 2.57 | 2.43 | 5.69 | 8.03 | 5.69 | 6.08 |
| Class A (with 5.75% max sales charge) | -3.33 | -3.46 | -0.39 | 5.92 | 4.45 | 5.45 |
| Class C | 2.34 | 1.97 | 5.08 | 7.38 | 5.02 | 5.49 |
| Class R | 2.41 | 2.24 | 5.42 | 7.74 | 5.38 | 5.79 |
| Class R6 | 2.69 | 2.80 | 6.17 | 8.57 | 6.17 | 6.60 |
| Institutional Service Class | 2.63 | 2.61 | 5.93 | 8.29 | 5.90 | 6.33 |
| Morningstar Lifetime Mod 2020 Index | 1.97 | 1.90 | 5.50 | 7.97 | 6.03 | 7.29 |
| Target-Date 2020 Category | 1.93 | 1.68 | 4.70 | 7.51 | 5.59 | 6.56 |

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Nationwide Destination 2025

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|-------------|-------------|-------------|-------------|
| Class A (without sales charge) | 2.76 | 2.62 | 6.33 | 9.13 | 6.31 | 6.80 |
| Class A (with 5.75% max sales charge) | -3.15 | -3.28 | 0.21 | 6.99 | 5.06 | 6.17 |
| Class C | 2.63 | 2.28 | 5.76 | 8.49 | 5.69 | 6.21 |
| Class R | 2.70 | 2.43 | 6.08 | 8.85 | 6.01 | 6.50 |
| Class R6 | 2.87 | 3.09 | 6.82 | 9.66 | 6.80 | 7.30 |
| Institutional Service Class | 2.83 | 2.81 | 6.49 | 9.40 | 6.52 | 7.04 |
| Morningstar Lifetime Mod 2025 Index | 2.28 | 2.27 | 6.34 | 9.08 | 6.76 | 7.82 |
| Target-Date 2025 Category | 2.37 | 2.30 | 5.85 | 8.80 | 6.39 | 7.33 |

Nationwide Destination 2030

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|-------------|-------------|-------------|-------------|
| Class A (without sales charge) | 3.13 | 3.04 | 7.13 | 10.06 | 6.91 | 7.35 |
| Class A (with 5.75% max sales charge) | -2.80 | -2.88 | 0.97 | 7.90 | 5.65 | 6.71 |
| Class C | 3.02 | 2.65 | 6.52 | 9.48 | 6.33 | 6.79 |
| Class R | 3.08 | 2.85 | 6.78 | 9.77 | 6.61 | 7.06 |
| Class R6 | 3.34 | 3.49 | 7.71 | 10.63 | 7.43 | 7.86 |
| Institutional Service Class | 3.19 | 3.22 | 7.38 | 10.34 | 7.16 | 7.58 |
| Morningstar Lifetime Mod 2030 Index | 2.70 | 2.86 | 7.49 | 10.44 | 7.56 | 8.38 |
| Target-Date 2030 Category | 2.72 | 2.76 | 6.89 | 9.88 | 7.06 | 7.56 |

Nationwide Destination 2035

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|-------------|-------------|-------------|-------------|
| Class A (without sales charge) | 3.39 | 3.40 | 7.73 | 10.75 | 7.32 | 7.74 |
| Class A (with 5.75% max sales charge) | -2.56 | -2.54 | 1.53 | 8.59 | 6.06 | 7.10 |
| Class C | 3.31 | 2.95 | 7.07 | 10.08 | 6.68 | 7.15 |
| Class R | 3.45 | 3.22 | 7.49 | 10.49 | 7.05 | 7.48 |
| Class R6 | 3.50 | 3.76 | 8.20 | 11.28 | 7.83 | 8.26 |
| Institutional Service Class | 3.45 | 3.59 | 7.98 | 10.99 | 7.57 | 7.99 |
| Morningstar Lifetime Mod 2035 Index | 3.14 | 3.48 | 8.65 | 11.72 | 8.22 | 8.83 |
| Target-Date 2035 Category | 3.17 | 3.47 | 8.03 | 11.01 | 7.74 | 8.20 |

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Nationwide Destination 2040

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|-------------|-------------|-------------|-------------|
| Class A (without sales charge) | 3.73 | 3.99 | 8.82 | 11.42 | 7.80 | 7.95 |
| Class A (with 5.75% max sales charge) | -2.23 | -1.99 | 2.56 | 9.24 | 6.53 | 7.31 |
| Class C | 3.62 | 3.66 | 8.24 | 10.80 | 7.20 | 7.37 |
| Class R | 3.69 | 3.81 | 8.47 | 11.11 | 7.49 | 7.64 |
| Class R6 | 3.93 | 4.44 | 9.37 | 11.96 | 8.31 | 8.46 |
| Institutional Service Class | 3.78 | 4.26 | 9.03 | 11.69 | 8.02 | 8.18 |
| Morningstar Lifetime Mod 2040 Index | 3.43 | 3.87 | 9.42 | 12.57 | 8.60 | 9.07 |
| Target-Date 2040 Category | 3.34 | 3.67 | 8.60 | 11.56 | 8.07 | 8.20 |

Nationwide Destination 2045

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|-------------|-------------|-------------|-------------|
| Class A (without sales charge) | 3.94 | 4.19 | 9.13 | 11.99 | 8.19 | 8.17 |
| Class A (with 5.75% max sales charge) | -2.03 | -1.80 | 2.86 | 9.80 | 6.92 | 7.53 |
| Class C | 3.75 | 3.67 | 8.48 | 11.28 | 7.52 | 7.58 |
| Class R | 3.82 | 4.03 | 8.92 | 11.69 | 7.89 | 7.88 |
| Class R6 | 4.06 | 4.55 | 9.71 | 12.55 | 8.69 | 8.69 |
| Institutional Service Class | 4.02 | 4.39 | 9.42 | 12.25 | 8.43 | 8.42 |
| Morningstar Lifetime Mod 2045 Index | 3.53 | 3.97 | 9.69 | 12.92 | 8.69 | 9.12 |
| Target-Date 2045 Category | 3.59 | 4.10 | 9.22 | 12.14 | 8.42 | 8.54 |

Nationwide Destination 2050

| Share class | QTD | YTD | 1-year | 3-year | 5-year | 10-year |
|--|--------------|--------------|-------------|--------------|-------------|-------------|
| Class A (without sales charge) | 3.95 | 4.25 | 9.40 | 12.20 | 8.29 | 8.29 |
| Class A (with 5.75% max sales charge) | -2.02 | -1.74 | 3.11 | 10.01 | 7.02 | 7.65 |
| Class C | 3.78 | 3.90 | 8.87 | 11.59 | 7.71 | 7.69 |
| Class R | 3.94 | 4.12 | 9.14 | 11.90 | 8.02 | 7.99 |
| Class R6 | 4.08 | 4.62 | 9.92 | 12.74 | 8.82 | 8.79 |
| Institutional Service Class | 4.02 | 4.45 | 9.68 | 12.46 | 8.55 | 8.51 |
| Morningstar Lifetime Mod 2050 Index | 3.49 | 3.86 | 9.62 | 12.97 | 8.62 | 9.08 |
| Target-Date 2050 Category | 3.55 | 3.98 | 9.23 | 12.16 | 8.45 | 8.38 |

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Nationwide Destination 2055

| Share class | QTD | YTD | 1-year | 3-year | 5-year | Since inception |
|---------------------------------------|-------|-------|--------|--------|--------|-----------------|
| Class A (without sales charge) | 4.02 | 4.45 | 9.64 | 12.40 | 8.41 | 8.81 |
| Class A (with 5.75% max sales charge) | -1.96 | -1.56 | 3.33 | 10.21 | 7.14 | 7.99 |
| Class C | 3.89 | 3.99 | 9.09 | 11.78 | 7.81 | 8.20 |
| Class R | 3.96 | 4.29 | 9.41 | 12.13 | 8.12 | 8.52 |
| Class R6 | 4.13 | 4.80 | 10.20 | 12.94 | 8.93 | 9.31 |
| Institutional Service Class | 4.06 | 4.61 | 9.94 | 12.65 | 8.66 | 9.09 |
| Morningstar Lifetime Mod 2055 Index | 3.41 | 3.71 | 9.48 | 12.95 | 8.51 | — |
| Target-Date 2055 Category | 3.68 | 4.25 | 9.51 | 12.41 | 8.71 | — |

Nationwide Destination 2060

| Share class | QTD | YTD | 1-year | 3-year | 5-year | Since inception |
|---------------------------------------|-------|-------|--------|--------|--------|-----------------|
| Class A (without sales charge) | 4.03 | 4.45 | 9.67 | 12.45 | — | 7.74 |
| Class A (with 5.75% max sales charge) | -1.95 | -1.56 | 3.37 | 10.25 | — | 6.09 |
| Class C | 3.90 | 4.05 | 9.11 | 11.83 | — | 7.11 |
| Class R | 3.98 | 4.28 | 9.43 | 12.21 | — | 7.51 |
| Class R6 | 4.06 | 4.81 | 10.16 | 12.94 | — | 8.19 |
| Institutional Service Class | 4.09 | 4.71 | 9.90 | 12.69 | — | 8.00 |
| Morningstar Lifetime Mod 2060 Index | 3.32 | 3.54 | 9.30 | 12.89 | 8.40 | — |
| Target-Date 2060+ Category | 3.76 | 4.33 | 9.74 | 12.66 | 8.44 | — |

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Expenses

| Fund Name | Share class | Gross Fee (%) | Net Fee (%) | Inception Date |
|---------------------|-----------------------------|---------------|-------------|----------------|
| NW Destination 2010 | Class A | 0.88 | 0.88 | 08/29/2007 |
| NW Destination 2010 | Class C | 1.52 | 1.52 | 08/29/2007 |
| NW Destination 2010 | Class R | 1.13 | 1.13 | 08/29/2007 |
| NW Destination 2010 | Class R6 | 0.38 | 0.38 | 08/29/2007 |
| NW Destination 2010 | Institutional Service Class | 0.63 | 0.63 | 08/29/2007 |
| NW Destination 2015 | Class A | 0.88 | 0.88 | 08/29/2007 |
| NW Destination 2015 | Class C | 1.43 | 1.43 | 08/29/2007 |
| NW Destination 2015 | Class R | 1.13 | 1.13 | 08/29/2007 |
| NW Destination 2015 | Class R6 | 0.38 | 0.38 | 08/30/2007 |

Nationwide® Target Destination Funds Quarterly Commentary

Q3 2018
AS OF 09/30/18

| | | | | |
|---------------------|-----------------------------|------|------|------------|
| NW Destination 2015 | Institutional Service Class | 0.63 | 0.63 | 08/29/2007 |
| NW Destination 2020 | Class A | 0.89 | 0.89 | 08/29/2007 |
| NW Destination 2020 | Class C | 1.49 | 1.49 | 08/29/2007 |
| NW Destination 2020 | Class R | 1.14 | 1.14 | 08/29/2007 |
| NW Destination 2020 | Class R6 | 0.39 | 0.39 | 08/29/2007 |
| NW Destination 2020 | Institutional Service Class | 0.64 | 0.64 | 08/29/2007 |
| NW Destination 2025 | Class A | 0.89 | 0.89 | 08/29/2007 |
| NW Destination 2025 | Class C | 1.47 | 1.47 | 08/29/2007 |
| NW Destination 2025 | Class R | 1.14 | 1.14 | 08/29/2007 |
| NW Destination 2025 | Class R6 | 0.39 | 0.39 | 08/29/2007 |
| NW Destination 2025 | Institutional Service Class | 0.64 | 0.64 | 08/29/2007 |
| NW Destination 2030 | Class A | 0.89 | 0.89 | 08/29/2007 |
| NW Destination 2030 | Class C | 1.43 | 1.43 | 08/29/2007 |
| NW Destination 2030 | Class R | 1.14 | 1.14 | 08/29/2007 |
| NW Destination 2030 | Class R6 | 0.39 | 0.39 | 08/29/2007 |
| NW Destination 2030 | Institutional Service Class | 0.64 | 0.64 | 08/29/2007 |
| NW Destination 2035 | Class A | 0.90 | 0.90 | 08/29/2007 |
| NW Destination 2035 | Class C | 1.48 | 1.48 | 08/29/2007 |
| NW Destination 2035 | Class R | 1.15 | 1.15 | 08/29/2007 |
| NW Destination 2035 | Class R6 | 0.40 | 0.40 | 08/29/2007 |
| NW Destination 2035 | Institutional Service Class | 0.65 | 0.65 | 08/29/2007 |
| NW Destination 2040 | Class A | 0.89 | 0.89 | 08/29/2007 |
| NW Destination 2040 | Class C | 1.43 | 1.43 | 08/29/2007 |
| NW Destination 2040 | Class R | 1.14 | 1.14 | 08/29/2007 |
| NW Destination 2040 | Class R6 | 0.39 | 0.39 | 08/29/2007 |
| NW Destination 2040 | Institutional Service Class | 0.64 | 0.64 | 08/30/2007 |
| NW Destination 2045 | Class A | 0.89 | 0.89 | 08/29/2007 |
| NW Destination 2045 | Class C | 1.48 | 1.48 | 08/29/2007 |
| NW Destination 2045 | Class R | 1.14 | 1.14 | 08/30/2007 |
| NW Destination 2045 | Class R6 | 0.39 | 0.39 | 08/29/2007 |
| NW Destination 2045 | Institutional Service Class | 0.64 | 0.64 | 08/29/2007 |
| NW Destination 2050 | Class A | 0.89 | 0.89 | 08/29/2007 |
| NW Destination 2050 | Class C | 1.44 | 1.44 | 08/29/2007 |
| NW Destination 2050 | Class R | 1.14 | 1.14 | 08/30/2007 |
| NW Destination 2050 | Class R6 | 0.39 | 0.39 | 08/30/2007 |
| NW Destination 2050 | Institutional Service Class | 0.64 | 0.64 | 08/30/2007 |
| NW Destination 2055 | Class A | 0.89 | 0.89 | 12/27/2010 |
| NW Destination 2055 | Class C | 1.64 | 1.64 | 12/27/2010 |
| NW Destination 2055 | Class R | 1.14 | 1.14 | 12/27/2010 |
| NW Destination 2055 | Class R6 | 0.39 | 0.39 | 12/27/2010 |
| NW Destination 2055 | Institutional Service Class | 0.64 | 0.64 | 12/27/2010 |
| NW Destination 2060 | Class A | 0.89 | 0.89 | 11/28/2014 |
| NW Destination 2060 | Class C | 1.64 | 1.64 | 11/28/2014 |

| | | | | |
|---------------------|-----------------------------|------|------|------------|
| NW Destination 2060 | Class R | 1.14 | 1.14 | 11/28/2014 |
| NW Destination 2060 | Class R6 | 0.39 | 0.39 | 11/28/2014 |
| NW Destination 2060 | Institutional Service Class | 0.64 | 0.64 | 11/28/2014 |

The expense ratios are as shown in the most recent prospectus. Expenses include underlying fund expenses. Please see the Fund's prospectus for more details.

Sales charges and 12b-1 Fees: Class A - max front end sales charge of 5.75%, 0.25% 12b-1 fee (investment size may reduce or eliminate front-end sales charge). Class C - 1.00% Contingent Deferred Sales Charge, 1.00% 12b-1 fee. Institutional Service Class - no sales charge, no 12b-1 fee. Class R6 shares - no sales charge, no 12b-1 fee. Class R shares -no sales charge, 0.50% 12b-1 fee. Service Class shares -no sales charge, 0.25% 12b-1 fee.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution • Not insured by any federal government agency • May lose value

Important Disclosures

This material is not a recommendation to buy, sell, hold, or roll over any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.

Investors should carefully consider a fund's investment objectives, risks, fees, charges and expenses before investing any money. To obtain this and other information on Nationwide Funds, please call 1-800-848-0920 to request a summary prospectus and/or a prospectus, or download a summary prospectus and/or a prospectus at nationwide.com/mutual-funds-prospectuses.jsp. Please read it carefully before investing.

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