

## Important information

Picking investments is just one decision you have to make with a variable annuity. There are other important considerations as well, including:

An annuity is a long-term, tax-deferred investment designed for retirement that will fluctuate in value. It allows you to create a fixed or variable stream of income through a process called annuitization and also provides a variable rate of return based on the performance of the underlying investments.

But, as with most things in life, an annuity does have limitations. If you decide to take your money out early, you may face fees called surrender charges. Plus, if you're not yet 59½, you may also have to pay an additional 10% tax penalty on top of ordinary income taxes. Naturally, if you do take an early withdrawal, your death benefit<sup>1</sup> and the contract value of the annuity contract will be reduced.

Also know an annuity contains guarantees and protections that are subject to the issuing insurance company's ability to pay for them. But these guarantees don't apply to any variable accounts that are subject to investment risk, including possible loss of your principal.

**An annuity is a contract between you and an insurance company and it's sold by prospectus. While it may take some time, you should read it. It describes risks, fees and charges that may apply to you. Variable annuities have fees and charges that include mortality and expense, administrative fees, contract fees, and the expense of the underlying investment options.**

**Additionally, each investment option with an annuity has its own prospectus that describes the style, objective, risks and expenses associated with the investment. You should read these prospectuses too before directing any money in your variable annuity contract to these investments.**

**Product and underlying investment option prospectuses can be obtained from your investment professional or by writing to Nationwide Life Insurance Company, P.O. Box 182021, One Nationwide Plaza, Columbus, Ohio, 43218-2021.**

Text Individuals selling these products must be licensed insurance agents and registered representatives.

The investment options discussed in this brochure are only available in variable annuity products issued by life insurance companies. They are not offered or made available directly to the general public. These portfolios contain different investments than similarly named mutual funds offered by the money manager. Investment results may result in higher or lower returns.

Federal income tax laws are complex and subject to change. The information in this brochure is based on current interpretations of the law and is not guaranteed. Neither the company nor its agents/representatives give legal or tax advice. Please consult your tax or legal advisor for answers to your specific questions.

The Best of America® variable products are underwritten by Nationwide Life Insurance Company, Columbus, Ohio, a member of Nationwide Financial®. The general distributor for The Best of America® variable products is Nationwide Investment Services Corporation, member FINRA.

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Contracts: APO-1293-3A, APO-1293-36, APO-2581, APO-2938, APO-3275-B, APO-3417, APO-3531, APO-3691, APO-3694, APO-4834, APO-4944, APO-5015, APO-5074, APO-5108, APO-5224, APO-5801, APO-5802, FAC-0100AO, FAC-0103AO, FAC-0107AO, FACC-0102NYPP, FACC-0106NYPP, FACC-0107NYPP, FHL-716, FHL-739, FHL-760-A, FHL-766, ICC08-IAC-0102AO, ICC11-VAC-0116AOCV.1, ICC11-VAC-0117AOCV.1, ICC11-VAC-0118AOCV.1, ICC11-VAC-0120AOCV.2, ICC11-VAC-0121AOCV.1, ICC11-AC-0126AOCV.1, ICC12-FACC-0100AOPP, ICC12-FACC-0102AOPP, ICC12-FACC-0104AOPP, ICC12-FACC-0105AOPP, ICC12-VAC-0101AOCV, ICC15-VACC-0105AOCV, VAC-0102AO, VAC-0103AO, VAC-0104AO, VAC-0105AO, VAC-0106AO, VAC-0107AO, VAC-0108AO, VAC-0109AO, VAC-0110AO, VAC-0111AO, VAC-0113AO, VAC-0114AO, VAC-0115AO, VAC-0116AOCV, VAC-0116NYCV.2, VAC-0117AOCV, VAC-0117NYCV.2, VAC-0118AOCV, VAC-0118NYCV.2, VAC-0120AOCV.1, VAC-0120NYCV.1, VAC-0120NYCV.3, VAC-0121NYCV.3, VAC-0126NYCV.2, VACC-0105AOCV

Investment risk:

**Money market funds: These funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although they seek to preserve the value of your investment at \$1.00 per share, it's possible to lose money by investing in money market funds.**

**International/emerging markets funds:** Funds that invest internationally involve risks not associated with investing solely in the U.S., such as currency fluctuation, political risk, differences in accounting and the limited availability of information.

**Small/Mid-cap funds:** Funds investing in stocks of small-cap, mid-cap, or emerging companies may have less liquidity than those investing in larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

**High-yield funds:** Funds that invest in high-yield securities are subject to greater credit risk and price fluctuations than funds that invest in higher-quality securities.

**Nondiversified funds:** Funds that invest in a concentrated sector or focus on a relatively small number of securities may be subject to greater volatility than a more diversified investment.

**Government funds:** While the funds invest primarily in the securities of the U.S. government and its agencies, the values are not guaranteed by these entities.

**Real estate funds:** Funds that focus on real estate investing are sensitive to economic and business cycles, changing demographic patterns and government actions.

**Funds-of-funds:** Designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the portfolio, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.

**Bond Funds:** These funds have the same interest rate, inflation and credit risk associated with the underlying bonds owned by the fund. Interest rate risk is the possibility of a change in the value of a bond due to changing interest rates. Inflation risk arises from the decline in value of cash flows due to loss of purchasing power. Credit risk is the potential loss on an investment based on the bond issuer's failure to repay on the amount borrowed.

**Target Date/Maturity funds:** For products that do include Target Date/Maturity funds please keep in mind that like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.


**Managed volatility funds:** Designed to offer traditional long-term investment allocations blended with a strategy that seeks to mitigate risk and manage portfolio volatility. These funds may not be successful in reducing volatility, and it is possible that the funds' volatility management strategies could result in losses greater than if the funds did not use such strategies.

**Commodities/natural resources:** Specific uncertainties associated with commodities investing include changes in supply-and demand relationships due to environmental, economic and political factors, which may cause increased volatility and decreased liquidity.

<sup>1</sup> Death benefit: The payment that the investor's beneficiary or estate receives when the annuitant dies.

# Digging into the facts

On the sample fact sheet below, we've mapped where to find relevant information about each investment option. You can review a description of each section on the next page.



Release Date: 03-31-2015

## XYZ Fund

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**A Investment Strategy** from investment's prospectus

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**B Category Description: Moderate Allocation**

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**C Operations**

Fund Inception Date	00-00-00
Initial Share Class Inception Date	00-00-00
Advisor	XYZ Management Company
Subadvisor	—

**Fees and Expenses** as of 04-30-14

Gross Prospectus Expense Ratio	0.00%
Net Prospectus Expense Ratio	0.00%

**Waiver Data**

Waiver Data	Type	Exp.Date	%
—	—	—	—

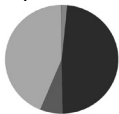
**D Portfolio Manager(s)**

John Doe, CFA, M.B.A., Harvard University, B.A., Ohio State University. Since 2008.

Jim Doe, B.A., University of Michigan. Since 2008.

**E Portfolio Analysis** as of 02-28-15

**Composition** as of 02-28-15



- U.S. Stocks
- Non-U.S. Stocks
- Bonds
- Cash
- Other

**F Top 20 Holdings** as of 12-31-11

Company	% Assets
Apple, Inc.	0.00
Oracle Corporation	0.00
Philip Morris International, Inc.	0.00
Union Pacific Corp	0.00
CBS Corporation B	0.00
E.I. du Pont de Nemours & Company	0.00
Chevron Corp	0.00
Boeing Company	0.00
Time Warner Cable Inc A	0.00
US Treasury Note 3.141% 08-08-25	0.00
Nike, Inc. B	0.00
eBay Inc	0.00
US Treasury Note 2.25% 03-15-28	0.00
Hess Corp	0.00
U.S. Bancorp	0.00
Clif Group Inc	0.00
Bristol-Myers Squibb Company	0.00
Mattel, Inc.	0.00
Celgene Corporation	0.00
Mylan Inc	0.00

Total Number of Stock Holdings: 0  
Total Number of Bond Holdings: 0  
Annual Turnover Ratio %: 0  
Total Fund Assets (\$mil): 0,000.00

**G Volatility Analysis**

Investment

Investment	Low	Moderate	High
Category			

In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

**H Morningstar Style Box™** as of 02-28-15(EQ); 12-31-14(F-I)

			Large		High
			Mid		Mid
			Small		Low
Value	Blend	Growth			

**I Morningstar Sectors** as of 02-28-15

Sector	%FUND	S&P 500 %
Cyclical	0.00	0.00
Basic Materials	0.00	0.00
Consumer Cyclical	0.00	0.00
Financial Services	0.00	0.00
Real Estate	0.00	0.00
Sensitive	0.00	0.00
Communication Services	0.00	0.00
Energy	0.00	0.00
Industrials	0.00	0.00
Technology	0.00	0.00
Defensive	0.00	0.00
Consumer Defensive	0.00	0.00
Healthcare	0.00	0.00
Utilities	0.00	0.00

**Notes**

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE

**A Investment Strategy**

A summary of the investment objectives and policies, how the manager(s) intends to achieve the objective and any limitations to the investment's policies

**B Category Description**

Describes the category Morningstar assigns to each investment option based on the past three years of stock and bond holdings

**C Expense Ratio**

Percentage of money taken from your investment account each year to pay operating and management expenses of the subaccount; includes administrative and marketing related (e.g., 12b-1) fees but not sales charges or product related fees; the Gross Prospectus Expense Ratio does not include waivers and/or reimbursements and therefore, may be higher than the expenses you would pay; the Net Prospectus Expense Ratio includes the waivers and reimbursements as indicated in the Waiver Data chart

**D Portfolio Managers**

People (or person) making the buy and sell decisions for the fund and how long they've managed the portfolio

**E Composition**

See Page 5 to learn more about using the composition charts

**F Top 20 Holdings**

Largest holdings as a % of total assets, representing the stocks and bonds with the most influence on an investment's returns

**G Volatility Analysis**

Shows where the investment falls on the volatility spectrum based on standard deviation; also shows where the portfolio's category lands; for portfolios that haven't been in existence for three years, only the category average is shown

**H Morningstar® Style Box™**

See Page 4 to learn more about using the style box

**I Morningstar Sectors**

Shows the % of assets held in 12 major industry sectors as determined by Morningstar and compared with the S&P 500; international funds show % of assets by country or region; bond funds show % of assets from least risky to most risky

## Important words you may come across:

<b>Alpha</b>	The difference between a fund's actual returns and expected performance; a positive number means the fund has performed better than expected, while a negative number indicates worse performance than expected
<b>Annual Turnover</b>	How frequently the manager has traded portfolio holdings in the last year; 100% turnover means on average all holdings are bought and sold once a year
<b>Average Effective Maturity</b>	For bond investments only, represents a weighted average of all maturities of bonds in the portfolio
<b>Average Effective Duration</b>	For bond investments only, measures the fund's sensitivity to interest rate changes; a longer duration indicates greater sensitivity
<b>Beta</b>	A measure of an investment's sensitivity to market movement; a beta greater than 1 indicates greater volatility than the market; a beta less than 1 indicates lower volatility
<b>Geometric Average Cap (\$ mil)</b>	Indicates the overall size of a stock fund's portfolio by averaging the geometric mean of each stock's market capitalization
<b>Price/Book Ratio</b>	Average of dividing each stock's price by its book value per share
<b>Price/Earnings Ratio</b>	Average of dividing each stock's price by its earnings per share
<b>Price/Cash-Flow Ratio</b>	Average of dividing each stocks price by its cash flow per share
<b>R-Squared</b>	Indicates the % of the investment option's performance that's related to the performance of its benchmark; an R-Squared of 100 means all performance is related to benchmark performance; a low R-Squared means performance is not very related to benchmark performance
<b>Sharpe Ratio</b>	Indicates whether returns are due to management skill or excess risk; a higher number indicates better risk-adjusted returns
<b>Standard Deviation</b>	Statistical measurement of the volatility of returns; a higher number indicates greater swings in returns, while a smaller number indicates lesser swings in returns

# How to use the Morningstar® Style Box™

You'll find the Morningstar Style Box in the upper right corner of the fact sheets. The Style Box is a visual tool that can help you see beyond confusing fund names and descriptions and get a better understanding of each investment's style and risk factors.

## What the Style Box does

It paints a picture of what's in the investment's portfolio. For stock funds, it shows if the manager invests more in large companies or small companies and if those stocks are generally undervalued or growth-oriented.

For bond funds, the Style Box shows if the underlying securities are long-term, short-term or somewhere in between. It also shows the quality of the underlying securities in the portfolio.

Morningstar uses the Style Box to categorize investments by their similarities, then to rate each investment on its ability to balance risk and reward relative to its peer group. Risk is measured across the nine classifications, increasing from left to right and from top to bottom.

## Putting the Style Box to work

As you consider investments, the Style Box can help you easily identify different styles and objectives of funds so you can build a diversified portfolio.

Diversification can help you lower the overall risk of your portfolio by combining different investments. You don't want to invest your entire portfolio in one place. Spreading out your investments across different types, styles and asset classes can reduce wide swings in performance and promote greater consistency of returns.

# Morningstar® Style Box™

## Equity

Risk	Investment style			Median Market cap.
	Value	Blend	Growth	
Low	○ Large-cap Value	○ Large-cap Blend	○ Large-cap Growth	Large
Moderate	○ Mid-cap Value	○ Mid-cap Blend	○ Mid-cap Growth	Mid
High	● Small-cap Value	● Small-cap Blend	● Small-cap Growth	Small

Inside the stock fund Style Box, nine classifications exist, ranging from large-cap value in the upper left (more conservative) to small-cap growth in the lower right (more aggressive).

## Bond

Risk	Duration			Quality
	Limited	Moderate	Extensive	
Low	○ Ltd-term High Quality	○ Mod-term High Quality	○ Ext-term High Quality	High
Moderate	○ Ltd-term Medium Quality	○ Mod-term Medium Quality	○ Ext-term Medium Quality	Medium
High	● Ltd-term Low Quality	● Mod-term Low Quality	● Ext-term Low Quality	Low

Inside the bond fund Style Box, nine classifications exist, ranging from limited-term high quality in the upper left (more conservative) to extensive-term low quality in the lower right (more aggressive).

# How to use Morningstar's portfolio illustrations

Each fact sheet includes an analysis of how the investment's portfolio is built. The charts can help you understand how a fund's assets are invested among five asset classes: U.S. Stocks, Non-U.S. Stocks, Bonds, Cash and Other. For each of these asset classes, Morningstar calculates portfolio statistics on the long and short positions. The type of chart you see will depend on whether the portfolio holds long-only positions or a combination of long and short positions.

## What's a long position? A short position?

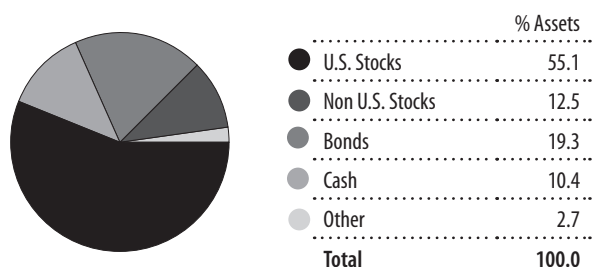
Basically, any investment in a security is considered a long position. When a portfolio manager "goes long," they are buying a stock or bond with the expectation that it will grow in value.

A short position is often taken when the portfolio manager believes a stock or bond or even a market index will fall in value. Short positions are taken by purchasing option contracts to buy or sell a particular security at a specified price and date.

Sometimes, a manager may want to reduce some of the downside risk of owning a particular investment. In these cases, the manager will buy the investment ("go long") while also buying an option contract for the same investment ("go short"). The difference between these long and short positions (the net position) is shown in the portfolio illustrations.

### When will you see a pie graph?

When a fund's portfolio takes only long positions in securities, the portfolio's asset allocation is represented in a pie graph that sums to 100%.



### When will you see a bar chart?

The fact sheets will include a bar chart when a fund's portfolio contains short and derivative positions of which the net sum, including any offsetting long positions in that asset class, is greater or less than 100%.

The horizontal axis in this chart shows the percentage each asset class holds, with the vertical axis representing a zero value. Values to the right of zero represent positive, or "long" security positions, while values to the left represent negative (or "short") positions. The table to the right adds the long and short values to show the net allocation to each asset class.

For example, in the bar chart image below, the bar representing cash extends to the left of the vertical axis. This indicates negative percentages of cash in which the portfolio is leveraged, meaning it has borrowed against its own assets to buy more securities or that it has used other techniques to gain more than 100% exposure to the market.

