

PEHP® Trust 3 Fact Sheet and Investment Options

Type of plan	- Employee benefit plan - Internal Revenue Code Section 501(c)(9)
Assets held	Tax exempt multiple-employer VEBA (Voluntary Employee Beneficiary Association) trusts
Tax advantages	- Employer pays no FICA taxes on plan contributions. - Employees pay no FICA or federal income taxes on: - Contributions made on their behalf - Investment earnings - Benefits paid from the plan
Plan contributions	Employer, mandatory employee, or contributions on behalf of retirees are permitted.
Plan benefits	Tax-free accumulation and reimbursements for qualified post employment medical expenses as defined by the Internal Revenue Code Section 213(d). Examples include: - Health insurance premiums - Medicare Part B premiums - Medicare supplemental insurance premiums - Qualified long-term care premiums - Out-of-pocket qualified medical expenses including prescription drugs, eye glasses and doctor co-pays.
Benefit flexibility	Upon the employee separating from service or retiring, requests may be made for the reimbursement of qualified medical expenses and/or medical insurance premiums. Plan-to-plan transfers are also available among accounts with the same employer administered by Nationwide.
Funding options	Insurance Premium Reimbursement Account (IPRA) - Can be funded solely with accrued sick and/or vacation leave (must be required by employer of all plan participants). - May also be funded with a percentage of salary. - Minimum annual ongoing contribution is .5% of salary per employee. - Reimbursements may only be used for qualified health insurance premium expenses. Examples include: health insurance premiums, dental premiums, Medicare Part B premiums and Medicare supplements. - Contribution details must be submitted separately for the IPRA & URA. Universal Reimbursement Account (URA) - Funded ongoing with equal dollar contributions per employee, per submission. - Minimum annual ongoing contribution is \$150 per employee. - Reimbursements may be made for any qualified out-of-pocket medical expense. Examples include: health insurance premiums, prescription drugs, eye glasses, hearing aids and doctor co-pays.
Investment options	There are 20 investment options available for employees.
Plan fees	- Employer—No fee - Employee—0.50% asset fee Note: No charge for claims reimbursements
Death of participant	Money is immediately made available to the surviving spouse and/or qualified dependents (as defined by IRC§152(a)) to use for health care expenses. If no surviving spouse or qualified dependents remain to request reimbursement, the account balance is reallocated to the accounts of the remaining members of the immediate employer group for their qualified medical expenses.

Note: Separate trusts available for collectively bargained employee groups and non-collectively bargained employee groups.



PEHP® Investment Options

PEHP Variable Annuity, A Group Variable Annuity Contract issued by Nationwide Life Insurance Company

Asset allocation		Category
<i>The Nationwide NMF Investor Destinations Funds can be selected based on your personal objectives and risk tolerance and are designed to provide asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the Investor Destination Funds, you are indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds.</i>	Nationwide NMF Investor Destinations Aggressive Fund (Svc Class)	Large Growth
	Nationwide NMF Investor Destinations Moderately Aggressive Fund (Svc Class)	Large Growth
	Nationwide NMF Investor Destinations Moderate Fund (Svc Class)	Moderate Allocation
	Nationwide NMF Investor Destinations Moderately Conservative Fund (Svc Class)	Moderate Allocation
	Nationwide NMF Investor Destinations Conservative Fund (Svc Class)	Conservative Allocation
Small-cap stock funds		
<i>Small-cap is an abbreviation of the term "small market capitalization," it's a company whose market capitalization is small or newer. A small-cap stock fund is made up primarily of investments in companies that are considered small or newer companies. Small company funds involve increased risk and volatility.</i>	CRM Small Cap Value Fund (Inv Class)	Small Blend
	Fidelity Advisor Small Cap Fund (Class A)	Small Growth
	Nationwide Small Cap Index Fund (Class A)	Small Blend
Mid-cap stock funds		
<i>Mid-cap is an abbreviation of the term "middle market capitalization," a company whose market capitalization is mid-range. A mid-cap stock fund is made up primarily of investments in companies that are considered mid-range or mid-size companies.</i>	TimesSquare Mid Cap Value Fund	Mid-Cap Growth
	Nationwide Mid Cap Market Index Fund (Class A)	Mid-Cap Blend
	Goldman Sachs Mid Cap Value Fund (Class A)	Mid-Cap Value
Large-cap stock funds		
<i>Large-cap is an abbreviation of the term "large market capitalization," and that's a company whose market capitalization is very large. A large-cap stock fund is made up primarily of investments in companies that are considered large-cap, big corporations.</i>	American Funds Growth Fund of America (Class R5)	Large Growth
	Nationwide S&P 500 Index Fund (Instl Svc Class)	Large Blend
	American Funds Investment Company of America	Large Blend
	Invesco Van Kampen Growth & Income Fund (Class A)	Large Value
International Stock funds		
<i>A mutual fund that invests primarily in companies located anywhere outside of its investors' country of residence. International investing involves additional risks; including currency fluctuations, political instability, differences in accounting standards and foreign regulations.</i>	JP Morgan International Equity Fund (Select Shares)	Foreign Large Blend
	Oppenheimer Global Fund (Class A)	World Stock
Bond funds		
<i>A fund invested primarily in bonds, which could be a range of government, corporate, municipal or convertible bonds.</i>	PIMCO Total Return A	Immediate-Term Bond
Fixed Income/Cash		
<i>Fixed income options are designed to protect principle and may not keep pace with inflation. They are designed to have lower risks than alternative options but are not insured or guaranteed by the FDIC or any other government agency.</i>	Nationwide Money Market Fund (Prime Shares) Comprised of bonds that might be short or intermediate term with longer maturities than other choices, such as money market funds. An investment in a money market underlying fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the money market.	Money Market
	Nationwide Fixed Account. Guarantees are subject to the claims paying ability of the Nationwide Life Insurance Company.	Fixed Account

PEHP® Investment Option Descriptions

Investor Destinations Series—is investing made easier. These five portfolios are professionally managed asset allocation portfolios, modeled according to an individual's tolerance for risk and available time horizon. These choices range from aggressive to conservative. Nationwide Mutual Fund Capital Trust makes the investment management decisions for investors who choose these portfolios: By investing in the Nationwide Investor Destinations Funds you receive asset allocation services that you would not receive if you invested in the funds directly. However, because you are investing indirectly in other funds through a Nationwide Investor Destinations Fund, you are paying a proportionate share of the applicable expenses of the fund (including management fees), as well as the expenses of the Nationwide Investor Destinations Fund.

- **Nationwide NMF Investor Destinations Aggressive Fund (Service Class)** seeks growth of capital. The Aggressive Fund's allocation focuses on stock investments, both U.S. and international. This fund is generally appropriate for aggressive investors comfortable with risk, investors with long time horizons or investors who want to maximize long-term returns and who have a higher tolerance for possible short-term losses.
- **Nationwide NMF Investor Destinations Moderately Aggressive Fund (Service Class)** seeks growth of capital, but also income. The Moderately Aggressive Fund's allocation is weighted toward stock investments, while including some bonds and short-term investments to reduce volatility. The fund is appropriate for aggressive investors who want to maximize returns over the long term and who have a tolerance for possible short-term losses or who are looking for some additional diversification.
- **Nationwide NMF Investor Destinations Moderate Fund (Service Class)** seeks growth of capital and income. The Moderate Fund's allocation is weighted toward stock investments while including a substantial portion in bonds and short-term investments to add income and reduce volatility. The fund is appropriate for investors who have a lower tolerance for risk than more aggressive investors and are seeking both growth and income, who have a longer time horizon or who are willing to accept moderate short-term price fluctuation in exchange for potential longer-term returns.
- **Nationwide NMF Investor Destinations Moderately Conservative Fund (Service Class)** seeks income and secondly, long-term growth of capital. The Moderately Conservative Fund's allocation is weighted toward bond investments and short-term investments while including substantial stock investments for long term growth. The fund is appropriate for investors who have a lower tolerance for risk and whose primary goal is income, who have a shorter time horizon or who are willing to accept some market volatility in exchange for greater potential in income and growth.
- **Nationwide NMF Investor Destinations Conservative Fund (Service Class)** seeks income and secondly, long term growth of capital. The Conservative Fund's allocation focuses on bonds and short-term investments while including some stock investments for long-term growth. The fund is appropriate for investors who have a low tolerance for risk and whose primary goal is income, who have a short time horizon or who are not willing to accept much risk, but still seek a small amount of growth.

Other investment options include:

American Funds Growth Fund of America (Class R4)

seeks to provide growth of capital. The fund's managers have the flexibility to invest wherever the best growth opportunities may be. The fund invests at least 65% of its assets in common stocks; may invest in convertibles, preferred stocks, U. S. government securities, bonds and cash equivalents; may invest up to 25% of its assets in securities of issuers domiciled outside the United States; and may invest up to 10% of assets in debt securities rated below investment grade (BB and below).

TimeSquare Mid Cap Value Fund seeks long-term capital growth. At least 80% of the assets in this fund are invested in US Mid-capitalization companies that fall on the Russell Midcap(R) Growth Index. The fund has a bottom-up research approach and focuses on stocks they believe will have the greatest price appreciation over a 12 to 18 month cycle.

The CRM Small Cap Value Fund seeks to match or better the Russell 200 Value Index. Under normal circumstances, the fund's managers invest at least 80% of its assets in a diversified portfolio of equity and equity related securities of companies with market capitalizations at the time of initial purchase similar to those in the Russell 2000 Value Index ("small cap companies") that are publicly traded on a U. S. securities market.

American Funds Investment Co of America is designed to be a large cap blend fund but primarily invests in mature companies that pay dividends. They may purchase growth stocks if the portfolio manager feels there is value in the price. The fund may hold international stocks up to 15% of the portfolio.

Fidelity Advisor Small Cap Fund (Class A) seeks long-term growth of capital. The fund normally invests at least 80% of assets in equity securities issued by companies with small market capitalizations. These companies generally have market capitalizations that fall within the range of the Russell 2000 Index or the Standard and Poor's Small Cap 600 Index. It has the flexibility, however, to invest in other market capitalizations and security types as the advisor deems suitable. The fund may invest in domestic and foreign issuers, as well as growth stocks, value stocks or both.

Nationwide Mid Cap Market Index Fund (Class A) seeks to match the performance of the S&P Mid Cap 400 Index as closely as possible before the deduction of fund expenses. The fund normally invests at least 80% of net assets in equity securities of companies included in the S&P 400 Index and in derivative instruments linked to the index. It may not invest all of the common stocks of the S&P 400 Index or in the same weightings of the Index.

Nationwide S&P 500 Index Fund (Instl Svc Class) seeks to provide investment results that correspond to the price and yield of the S&P 500 Index. The fund typically invests 80% of assets in equity securities of companies included in the S&P 500 Index and in derivative instruments linked to the index. It may not invest in all of the common stocks of the S&P 500 Index or in the same weightings as the Index.

Nationwide Money Market Fund (Prime Shares) invests in high-quality money-market obligations maturing in 397 days or fewer. These include corporate obligations, government and agency bonds, bills and notes, the obligations of foreign governments and the obligations of U.S. banks and U.S. branches of foreign banks, if they are denominated in U.S. dollars.

Nationwide Small Cap Index Fund (Class A) seeks to match the performance of the Russell 200 Index as closely as possible before the deduction of fund expenses. The fund normally invests at least 80% of net assets in equity securities of companies included in the Russell

...continued on back

200 Index and in derivative instruments linked to the Index. It may not invest in all of the common stocks of the Russell 200 Index or in the same weightings as the Index.

Goldman Sachs Mid-Cap Value Fund (Class A) seeks long-term capital appreciation. The fund normally invests at least 80% of assets in equity securities, typically with market capitalizations within the range of the market capitalizations of the Russell Mid Cap Value Index. It may invest up to 25% of assets in foreign securities, including securities of issuers of emerging countries. The fund may also invest up to 20% of assets in companies with market capitalizations outside the range of companies in the Russell Mid Cap Value Index and in fixed-income securities, such as government, corporate and bank debt obligations.

JP Morgan International Equity Fund (Select Shares) seeks long-term capital growth and income. The fund normally invests at least 80% of assets in equity securities issued by foreign companies of various sizes, including foreign subsidiaries of U.S. companies. It may invest up to 20% of assets in debt securities issued by a foreign government or international organization and up to 20% of assets in high-quality money market instruments and repurchase agreements. The fund may also invest in investment-grade debt securities and derivatives.

Nationwide Fixed Account is designed for participants who seek safety of principal and guaranteed interest rates. Interest is credited and compounded daily to yield the effective rate declared at the beginning of the year. This rate is guaranteed throughout the year and both

principal and interest are guaranteed by the claims-paying ability of the Nationwide Life Insurance Company.

Van Kampen Growth & Income Fund (Class A) seeks income and long-term growth of capital by investing in income-producing equities. It may also purchase investment-grade debt. It limits investments in foreign securities to 25% of assets.

Oppenheimer Global Fund (Class A) seeks capital appreciation. The fund primarily invests in common stocks and convertible securities issued by U.S. and foreign companies. It ordinarily invests in at least three countries. The fund may invest in special situations and in securities of companies in cyclical industries.

PIMCO Total Return Fund (Class A) seeks total return consistent with preservation of capital. The fund normally invests at least 65% of assets in debt securities, including U.S. government securities, corporate bonds, and mortgage-related securities. It may invest up to 20% of assets in securities denominated in foreign currencies. The may invest up to 10% of assets in high-yield securities rated B or higher. The portfolio duration generally ranges from three-to six-years.

.....
Both the product informational brochures and underlying fund prospectuses can be obtained by calling 1-877-677-3678. Before investing, carefully consider the fund's investment objectives, risks, and charges and expenses. The product informational brochure and underlying fund prospectus contain this and other important information. Read the prospectuses carefully before investing.

Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, Member FINRA. In Michigan only: Nationwide Investment Svcs. Corporation

Neither the Company nor its representatives give legal or tax advice. You should consult your attorney or tax advisor for answers to your specific questions.

Fund Descriptions ©2011 Morningstar, Inc. All Rights Reserved. With the exception of the Nationwide Fixed, the fund descriptions contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information

For more complete information, including all charges and expenses, please consult your informational brochure. These are available from your Nationwide representative or by calling 1-877-677-3678 or at nrsforu.com. Please read the informational brochure carefully before making any decisions.

Nationwide Retirement Solutions, Inc. and its affiliates (Nationwide) offer a variety of investment options to public sector retirement plans through variable annuity contracts, trust or custodial accounts. Nationwide may receive payments from mutual funds or their affiliates in connection with those investment options. For more detail about the payments Nationwide receives, please visit www.nrsforu.com.

Nationwide Retirement Solutions (Nationwide) makes payments to the National Association of Police Organizations (NAPO) for the value of services and endorsements related to the Nationwide Post Employment Health Plans (PEHP). Under the arrangement, NAPO exclusively endorses the Nationwide PEHP program and provides various services to Nationwide. For more information about the relationship and the payments made, please visit www.nrsforu.com.

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, The United States Conference of Mayors, and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.

The PEHP unregistered group variable annuity is issued by Nationwide Life Insurance Company, contract number APO-3350.

©2011, Nationwide Retirement Solutions, One Nationwide Plaza, Columbus, OH 43215. Nationwide®, On Your Side, PEHP® and the Nationwide framemark are service marks of Nationwide Mutual Insurance Company.