

Nationwide and NACo Partnering to provide Protected Retirement Solutions

April 30, 2024



Today, we'll cover:

- Key SECURE Act provisions & fiduciary responsibilities
- Addressing the fears of retirees
- How Nationwide can help offer protection in retirement
- Plan Sponsors can enhance retirement savings
- Considerations & next steps



SECURE Act: Passed in December 2019



Section 204. Fiduciary Safe Harbor for Selection of Lifetime Income Provider

The legislation provides greater comfort for plan sponsors in the selection of lifetime income providers, a fiduciary act under ERISA. Under the SECURE Act, fiduciaries are:

- ☑ Afforded an optional safe harbor to satisfy the prudence requirement with respect to the selection of insurers for a guaranteed retirement income contract
- ☑ Protected from liability for any losses that may result to the participant or beneficiary due to an insurer's inability in the future to satisfy its financial obligations under the terms of the contract

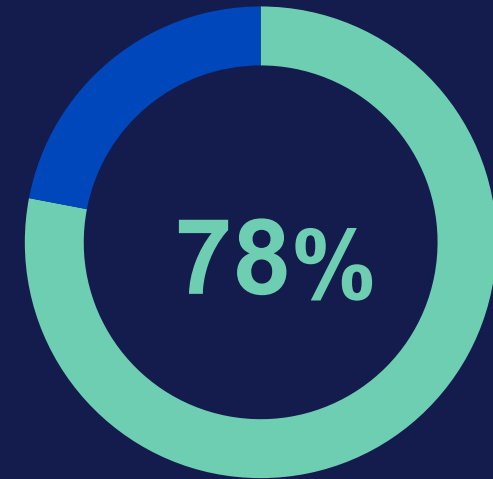
Removing ambiguity about the applicable fiduciary standard eliminates a roadblock to offering lifetime income benefit options under a defined contribution plan.

Addressing the fear of outliving retirement savings

Setting Every Community Up for Retirement Enhancement Act (SECURE Act)

Primarily designed to:

- Encourage more employers to offer a qualified retirement plan for their employees
- Mitigate challenges in offering guaranteed lifetime income solutions within their investment line-up
- Help address the retirement income challenge



of participants
continue to say they can do all the right things to manage their finances, yet still be blindsided by outside events.¹

¹ Nationwide Advisor Authority Survey (August 2022).

Savers are looking to restore their confidence

40% of older American employees expect to retire later than planned due to inflation and rising living costs. Of those who are now expecting to retire later:



Market Risk

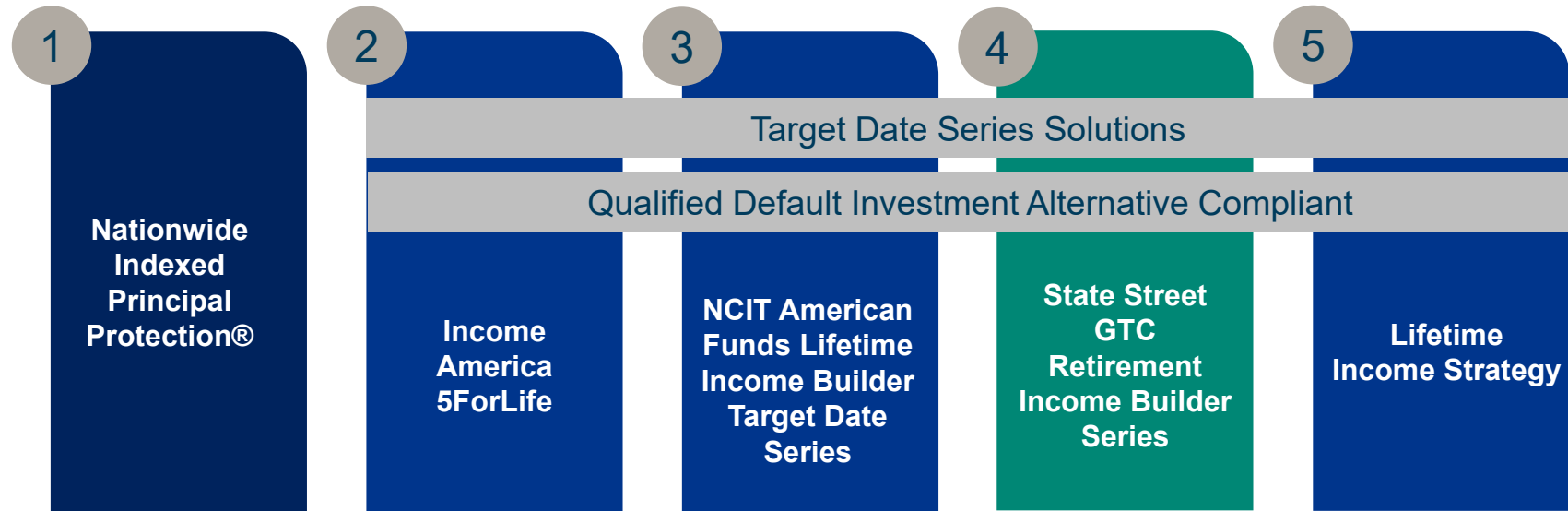
47% say recent market volatility has diminished their savings



Outliving Savings

73% are worried they won't have enough income in retirement

Nationwide is a leader in the market by offering a suite of in-plan guarantee solutions

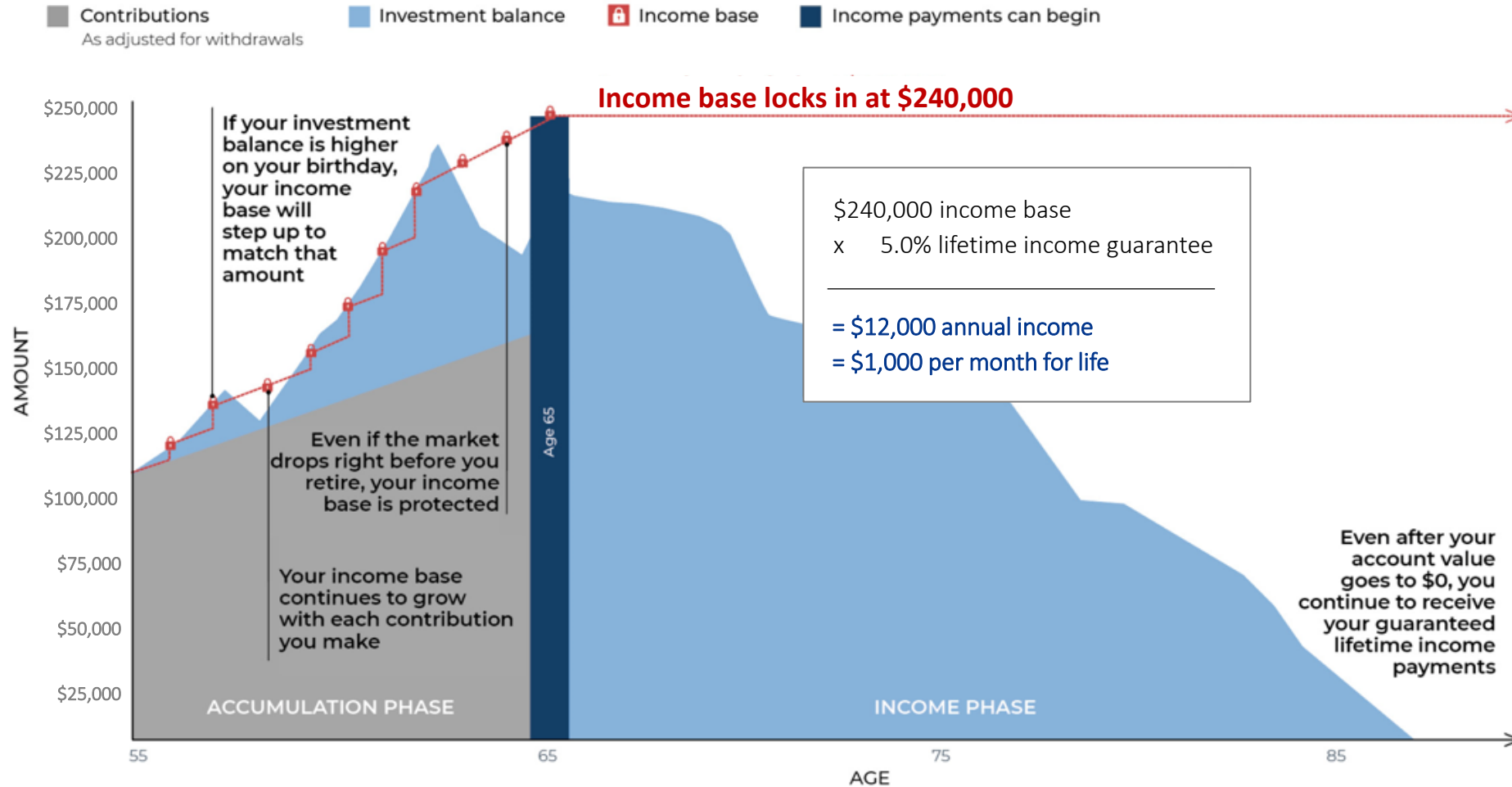


Plan adoptions - Over 6,500 | Active participants - Over 16,000 | Assets - Over \$1.45 billion

Industry-Leading Partnership Approach

American Funds - American Century - Annexus - Alliance Bernstein - State Street - Lincoln Financial - Great Gray Trust - Global Trust - SS&C

Income America 5ForLife in action



This chart is for illustration purposes only and shows the general principles of Income America 5ForLife, assumes a series of hypothetical annualized portfolio returns that illustrate both potential growth and the potential volatility of the market, no additional contributions after retirement and no post-retirement withdrawals that exceed the 5% guaranteed lifetime income payments. In this example, after age 65, no additional contributions or withdrawals were made, and no additional annual step-ups were applied since there was a declining investment balance. The graph above does not depict the actual performance of the investment and does not reflect fees. It is not an indication or guarantee of future performance or results, which may be lower or higher than those shown. Share prices and returns will vary, and investors may lose money. The participant's income base is never available for withdrawal but is only used for calculating income. It may be adjusted based on contributions to and/or withdrawals from the investment. While participants can withdraw the market value of the account at any time without any fees or penalties, doing so will cause them to lose the income guarantee. Participants will be able to elect to receive income any time after age 65. If they withdraw more than the guaranteed annual income in any year, the income base and future guaranteed annual income will decrease. However, if their required minimum distribution exceeds the guaranteed income amount, their income base will not be affected and the payments will not be lowered. Note that the timing of required minimum distributions taken from this investment option could adversely affect both your income base and your guaranteed income amount in certain situations. Please contact your plan representative for more details.

Lifetime income guaranteed



Income America™ 5ForLife is a series of funds held in a collective investment trust, trusted by Great Gray Trust Company, LLC. **It offers participants 5 distinct advantages:**



Guaranteed Lifetime Income

Participants can worry less about running out of money in retirement, with access to income they can't outlive



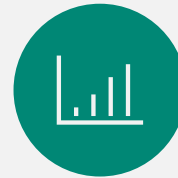
Simplicity

Gives participants the familiar experience of investing in an actively managed fund



Control

Provides portability options and full participant liquidity with no surrender charges



Investment Diversification

Takes advantage of multiple asset classes and funds for upside potential while retaining guaranteed income assurance



Flexibility

Plans can offer participants their choice of 3 ways to adopt, based on their investment style:

1. **Do it myself** – build their own overall portfolio, incorporating our balanced fund
2. **Help me do it** – rely on a glidepath, provided by our target date funds
3. **Do it for me** – hire professional management, offered through Nationwide ProAccount®

Participants will be able to elect to receive income anytime after age 65. If the participant withdraws more than the guaranteed annual income in any year, the income base and future guaranteed annual income will decrease. Guarantees are subject to the claims-paying ability of the issuing companies. The market value of the account is never guaranteed and fluctuates based on investment performance. While the participant can withdraw the market value of the account at any time without any fees or penalties, doing so will cause the participant to lose the income guarantee. This investment option may not be available in all states. For complete disclosures, including issuing company details, please visit incomeamerica.com

Nationwide Investment Advisors, LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC-registered investment adviser and a Nationwide affiliate. NIA has retained Wilshire® as an Independent Financial Expert for Nationwide ProAccount. Wilshire provides investment allocation portfolios based on participant data. NIA assesses participants an asset-based fee for the managed account services.

When it comes to saving, many don't have the time or expertise

But we offer simple ways to help deliver retirement readiness:



Auto-enrollment

Leads to higher plan participation¹



Auto-escalation

Impacts how much workers may save



Professional management

Outperforms individual investors on average²



of plan sponsors

offering auto features see a direct and attributable benefit to their plans' outcomes¹

¹ "Implementation of Auto Features Continues to Rise as Plans Recognize Benefits", DCIIA, 2020

² "Made to Stick: The Drivers of Default Investment Acceptance in Defined Contribution Plans", Morningstar, 2020

Growing participation with default funds

Qualified Default Investment Alternatives offer a path for plan sponsors to designate an investment for **participants who fail to choose their own**

Traditional Default – Participant is defaulted upon enrollment



Enrollment – Retirement
1 fund for entire lifecycle

The following investments qualify:

Target date funds
(or Lifecycle funds)

Balanced funds

Managed account
services

Capital preservation
funds¹

¹ Capital Preservation Funds can only be used for the first 120 days of participation

Plan Sponsors can help participants by using a Dynamic Default

We continue to innovate for the future¹

Traditional Default



Enrollment – Retirement
1 fund for entire lifecycle

Vs.

Dynamic Default
Hypothetical example



Enrollment
Age 25



Approaching Retirement
Age 50

Transition from 1 fund to another

¹ Feature is currently in product design and is not yet available on the Nationwide Recordkeeping platform.

Take the next step with us



Partner with Nationwide to educate NACo members about the importance of protection in retirement, here's how:

- 1. Share our story** – help make members aware of solutions that may be beneficial
- 2. Have us join you** – we're happy to join upcoming conferences and meetings to provide members with education

Important information

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

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

Provisions of these options may vary based on plan selection and/or by state regulation. These investment options may not be available in some states.

Guarantees are backed by the claims-paying ability of the issuing insurance company.

Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% early withdrawal federal tax penalty.

The entities listed within this document and their affiliates (1) do not provide tax or legal advice; (2) are separate and nonaffiliated companies and; (3) own the intellectual property of their respective marks and logos.

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Disclosures

Income America Disclosures:

The Income America Funds are Great Gray Trust Company, LLC Collective Investment Funds (“Great Gray Funds”), which are bank collective investment funds; they are not mutual funds. Great Gray Trust Company, LLC (“Trustee”) serves as the Trustee of the Great Gray Funds and maintains ultimate fiduciary authority over the management of, and investments made in, the Great Gray Funds. Great Gray Funds and their units are exempt from registration under the Investment Company Act of 1940 and the Securities Act of 1933, respectively.

Investments in the Great Gray Funds are not bank deposits or obligations of and are not insured or guaranteed by Great Gray Trust Company, LLC, any bank, the FDIC, the Federal Reserve, or any other governmental agency. The Great Gray Funds are commingled investment vehicles, and as such, the values of the underlying investments will rise and fall according to market activity; it is possible to lose money by investing in the Great Gray Funds.

Participation in Collective Investment Trust Funds is limited primarily to qualified retirement plans and certain state or local government plans and is not available to IRAs, health and welfare plans and, in certain cases, Keogh (H.R. 10) plans. Collective Investment Trust Funds may be suitable investments for plan fiduciaries seeking to construct a well-diversified retirement savings program. Investors should consider the investment objectives, risks, charges and expenses of any pooled investment fund carefully before investing. The Additional Fund Information and Principal Risk Definitions (PRD) contains this and other information about a Collective Investment Trust Fund and is available at www.greatgray.com/principalriskdefinitions or ask for a free of charge copy by contacting Great Gray Trust Company, LLC at (866) 427-6885.

Great Gray and Great Gray Trust Company are service marks used in connection with various fiduciary and non-fiduciary services offered by Great Gray Trust Company, LLC.

The Trustee has appointed American Century Investment Management, Inc. as Glidepath Manager to the Income America Funds to assist it in connection with providing strategic asset allocations for each of the vintages of the Income America Funds. American Century Investments® provides underlying sub-asset class management and target date glide path management (when applicable) as well as marketing support for Income America.

The Trustee has appointed Wilshire Advisors LLC (“Wilshire”) as Sub-Advisor to the Income America Funds to assist it in connection with the investment of assets in the Income America Funds. Wilshire serves as the Investment advisor fiduciary under ERISA 3(21) and is responsible for recommending glide path manager, guaranteed lifetime withdrawal benefit providers, underlying fund products and stable value offerings to the trustee from an investment universe selected by the product consultant for each category.

SS&C provides the Retirement Income Clearing and Calculation Platform (RICC), a middleware application designed to facilitate the efficient distribution and servicing of in-plan guaranteed income products across various recordkeepers and participating insurers. The SS&C RICC platform also calculates and maintains the participant guaranteed lifetime withdrawal benefit values for Income America 5ForLife.

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 discuss their specific situation with their financial professional. Diversification does not assure a profit, nor does it protect against loss of principal.

The Income America 5ForLife funds include a group annuity contract, which provides a plan participant with guaranteed annual retirement income that is supported by a contract between the trustee and the following issuing insurance companies:

- The Lincoln National Life Insurance Company, Fort Wayne, IN. The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.
- Nationwide Life Insurance Company, Columbus, OH.

Each fund in the series may invest in a fixed annuity contract issued by Nationwide Life Insurance Company and The Lincoln National Life Insurance Company. This fixed annuity contract is separate from the group annuity contracts issued by the same entities which support the guaranteed annual retirement income.

All contractual guarantees, including those for guaranteed income, are funded from the issuing insurance companies' general accounts and are subject to the claims-paying ability of the issuing insurance company. Neither issuing insurance company is a trustee for any assets held in any of the collective investment funds.

The issuing insurance companies and their affiliates, distributors, respective employees, representatives and/or insurance agents do not provide tax, accounting or legal advice. Please consult your own tax or legal advisor for answers to your specific questions.

All entities listed within this document are separate and nonaffiliated companies.

These investment options may not be available in all states.

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