Nationwide®

Protection for your money with an opportunity for growth

Get to know Nationwide Indexed Principal Protection®

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

Downside protection **with** an opportunity for growth

Nationwide Indexed Principal Protection® is a long-term savings option that protects your principal.

That means no matter what the market does, your money is protected ***and*** you retain the opportunity for upside potential.

Potential benefits of NW-IPP

- Principal investment protection from market declines
- Growth potential when markets are increasing, subject to the cap rate
- Gains are locked in and become part of the principal at the index term renewal
- 2 contribution options: payroll deductions or a lump-sum dollar amount exchanged from another investment option in your plan (no minimum required)
- If you change your mind, you can exchange your money out of this investment option (restrictions may apply)
- A simple web experience makes choosing this investment option easy

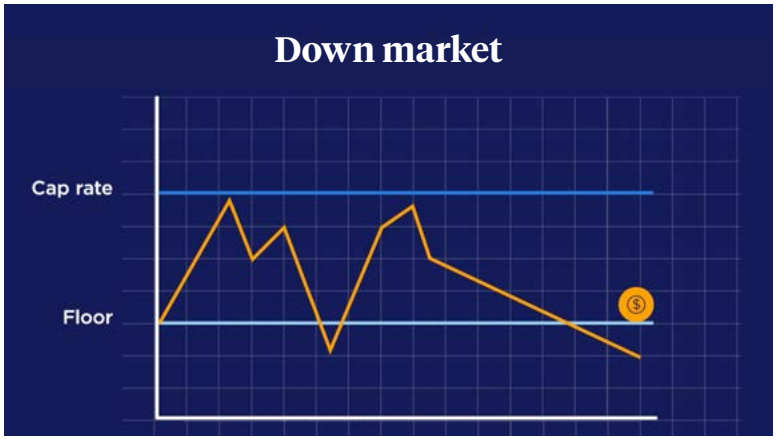
Do you want help understanding how much to allocate to NW-IPP?

Our My Investment Planner℠ tool can help you identify your investment style, asset mix and investment options. Find the tool in Tools & calculators on your Plan's website.

NW-IPP can help provide you with confidence through unstable market conditions

Nationwide Indexed Principal Protection (NW-IPP) is a group fixed indexed annuity for retirement plans that tracks the performance of the S&P 500® Daily Risk Control 5% Excess Return Index (the Index). **Your money is not directly invested in the Index**, but its performance is used to credit you with interest earnings, subject to a specific limit called a "cap rate."

Scenario 1: If the market index goes down, your money is protected, and your account loses nothing.



Scenario 2: If the market index goes up, you could capture this growth up to a prespecified rate called a cap rate, so when index performance exceeds the cap rate, your interest earnings will increase, but not past the cap rate.

Scenario 3: If the market index increase is less than the cap rate, you receive the amount the index returned.

These illustrations are not a projection or prediction of future performance. Withdrawals will reduce the contract value; these illustrations do not demonstrate the impact of withdrawals or fees.

Two ways you can take advantage of NW-IPP

Case study 1: Exchange in

Maria

- 55 years old
- Pre-retiree
- Wants to lock in gains

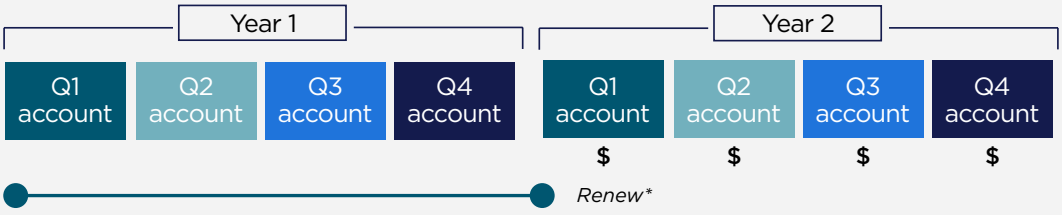
1. At any time, Maria can exchange any dollar amount from another investment option in her retirement plan.

2. Money allocated to NW-IPP goes into an interest account that earns daily interest until the end of the current quarter.

3. At the beginning of the next calendar quarter, money sitting in the interest account is swept into an index account for 1 year.

4. Interest earnings are credited to the index account at the end of the 1-year index term and depend on the return of the Index, subject to the cap rate.

5. The 1-year index term automatically renews with a new cap rate. Any interest earnings are locked in and the new principal amount is protected for the following year.



** Principal + interest earnings will become principal at the beginning of the next index term.*

Case study 2: Payroll deduction

Craig

- 35 years old
- Fiscally conservative
- Wants ability to exchange out

1. Every pay cycle, money is deducted from Craig's paycheck and contributed to his retirement plan account.

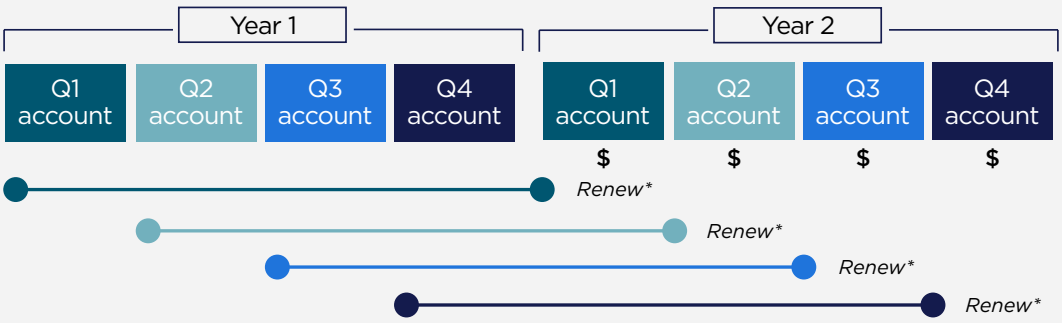
2. The money is then invested according to his allocations. Up to 100% of a portfolio can be allocated to NW-IPP.

3. Money allocated to NW-IPP goes into an interest account that earns daily interest until the end of the current quarter.

4. At the beginning of each quarter, money sitting in the interest account is swept into a new index account for 1 year. It's possible to have up to 4 index accounts at any given time.

5. Interest earnings are credited to each index account at the end of the 1-year index term and depend on the return of the Index, subject to the cap rate.

6. Each 1-year index term automatically renews with a new cap rate. Any interest earnings are locked in and the new principal amount is protected for the following year.



** Principal + interest earnings will become principal at the beginning of the next index term.*

Important considerations

There are a few important details to remember when contributing to this investment option:

- Funds must remain in each index account for the entire 1-year index term in order to receive any interest earnings, which are credited at the end of the term
- 90-day equity wash provisions may apply, which could prevent you from exchanging directly into competing short-term investment options
- Expenses are built into the investment option prior to index cap rates being declared, which means that there are no additional fees or penalties applied to this investment option if you change your mind
- Fees associated with plan recordkeeping may still apply, and in some instances, result in a reduction in principal; please refer to your Quarterly Report for more details

Helpful explanations

Allocation — Money is allocated according to your investment selections. This could be a mix of investment options, including equity mutual funds and fixed income mutual funds, as well as NW-IPP. Up to 100% of your portfolio can be allocated to NW-IPP.

Cap rate — This is the upper limit of interest earnings that can be credited at the end of the index term. It is expressed as a percentage of assets in NW-IPP.

Contributions — Every pay cycle, money is deducted from your paycheck and contributed into your retirement plan account as usual. Money can also be reallocated from other investment options in the retirement plan to NW-IPP via an exchange.

Equity wash — A provision that requires participant exchanges from NW-IPP to a competing investment option (for example, a money market fund or a short-term bond fund) to first be directed to any other investment option not designated as a competing option for a period of time, usually 90 days. This provision is designed to reduce incentives to buy or sell because of price differences between markets, thereby protecting you and the returns of the investment option over the long term.

Index term — This is the 1-year period during which the Index performance is determined and the cap rate is applicable.

Index account — It's possible to have up to 4 NW-IPP index accounts at any given time. Each account has its own cap rate and has a maturity of 1 year before it automatically renews. Interest earnings are credited depending on the cap rate and the annual performance of the S&P 500 Daily Risk Control 5% Excess Return Index.

Interest account — At the time of each payroll deduction or lump-sum exchange, money allocated to NW-IPP goes into an interest account, which earns nominal interest. At the beginning of each quarter, all the money in the interest account is automatically swept into a new index account.

Maturity — This is the point in time when the NW-IPP has reached the end of the index term and any interest earnings have been credited.

For additional information and resources, contact your Plan Sponsor or visit your plan website.

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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.

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Group fixed indexed annuities are contracts purchased from a life insurance company. They are designed for long-term retirement goals. Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% early withdrawal federal tax penalty. Nationwide Indexed Principal Protection is a group fixed indexed annuity issued by Nationwide Life Insurance Company and held in the general account.

Guarantees are backed by the claims-paying ability of the issuing insurance company. Transfers out of this contract to other funding providers are subject to certain restrictions. Contact your plan sponsor for information regarding these restrictions.

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