



Discover the value of an annuity

Be out living your life, not outliving your savings

Discover the value of an annuity



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

What is an annuity?

A financial product that can be customized to give you lifetime guarantees in retirement.

SIMPLY SPEAKING

An annuity is:

- A long-term, tax-deferred investment
- Able to provide protection for income, legacy and spousal needs
- Issued by an insurance company
- Purchased through a licensed financial advisor
- Able to be tailored to your unique retirement needs to help protect what matters to you

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

All situations are hypothetical in nature and are subject to change.

The value of an annuity

An **annuity** is a long-term, tax-deferred investment that is issued by an insurance company and purchased through a financial advisor. It is designed to create a customized plan for each investor's unique needs while helping protect what matters most to them in retirement.

Annuities can provide:

Lifetime income

An annuity can provide you income for as long as you live through annuitization, which converts your assets into an income stream at no extra cost, or via an optional benefit rider available for an additional cost.*

Legacy planning

An annuity can provide you the opportunity to create a living legacy by preserving funds for future generations in a tax-efficient manner.

Spousal opportunities

An annuity can be used to protect and preserve assets for a surviving spouse through death benefits and/or living benefits to sustain their ongoing lifestyle.

***Annuitization** is a one-time process of taking your annuity account and turning it into regular payments that will last for the rest of your life. The annuitized payments continue, regardless of how long you live, even if the total payments exceed the original account value.

Please carefully read through the rest of this brochure and contact your advisor to learn more about how an annuity can be right for you.

Annuities are flexible

As an investor, you're in control

Flexible timing

Invest a lump sum now or add money over a period of time.

Flexible opportunities

Choose options for lifetime income, legacy planning and spousal guarantees.

Flexible annuity options

Select a product in your comfort zone:

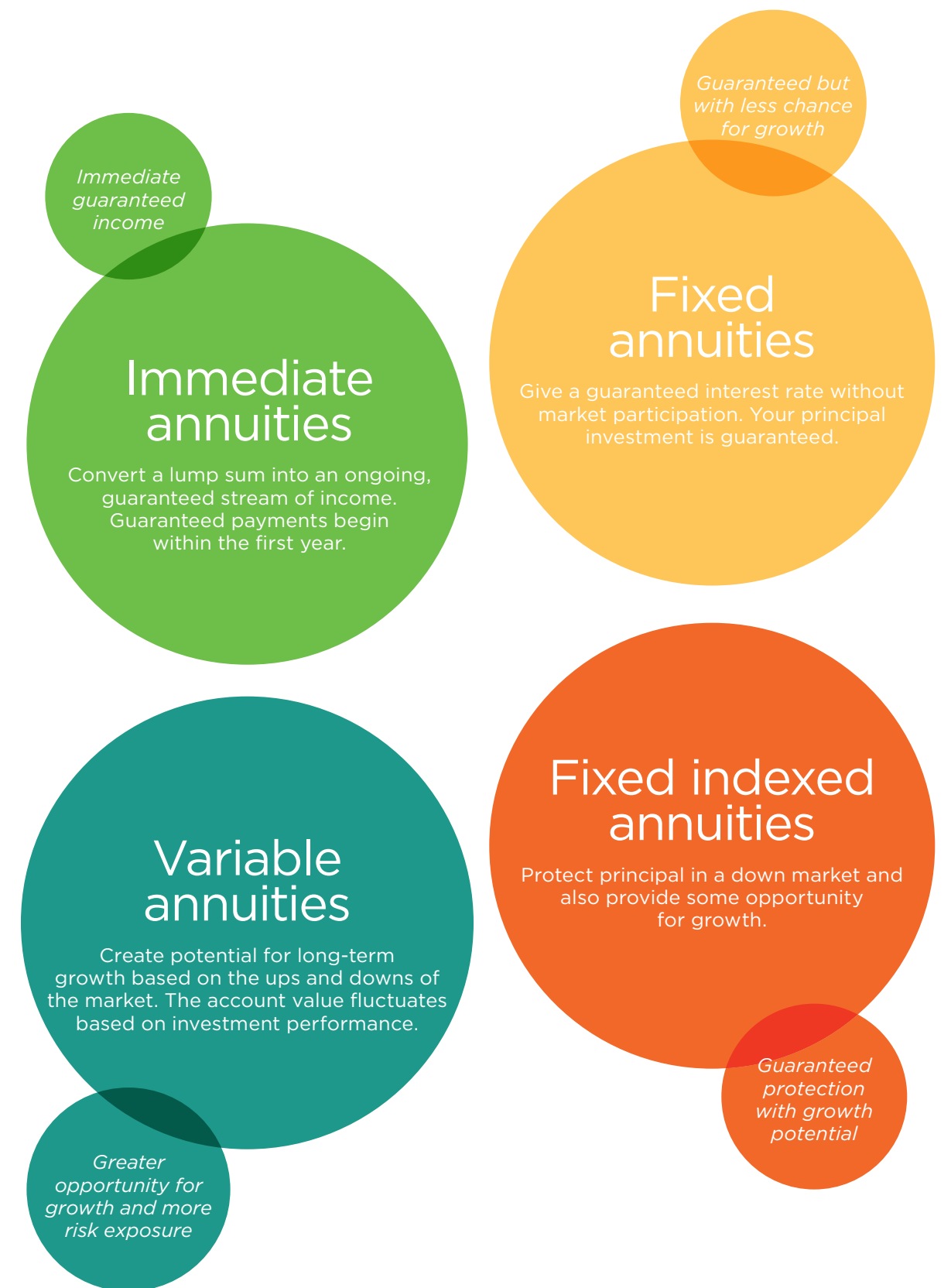
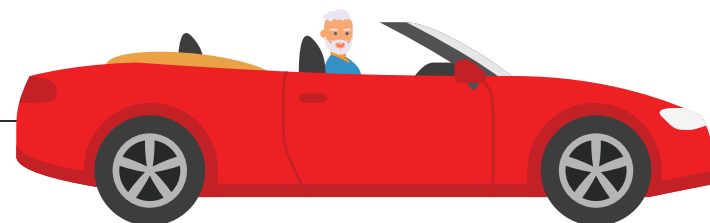
- Immediate annuities
- Fixed annuities
- Fixed indexed annuities
- Variable annuities

Flexible withdrawals

Take withdrawals as planned. There's an option to withdraw early, but it may come with a penalty.

Annuities are designed to be long-term investments, so ask your advisor about any short-term limitations you should consider.

FRIENDLY FACT



Immediate guaranteed income

Immediate annuities

Convert a lump sum into an ongoing, guaranteed stream of income. Guaranteed payments begin within the first year.

Guaranteed but with less chance for growth

Fixed annuities

Give a guaranteed interest rate without market participation. Your principal investment is guaranteed.

Variable annuities

Create potential for long-term growth based on the ups and downs of the market. The account value fluctuates based on investment performance.

Greater opportunity for growth and more risk exposure

Fixed indexed annuities

Protect principal in a down market and also provide some opportunity for growth.

Guaranteed protection with growth potential

Refer to the individual sections for more details.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company. Annuities have limitations, exclusions, charges, termination provisions, and terms for keeping them in force. Consult with your advisor for more information.

Why choose an annuity?

Use the 4 P's of annuities to create your own path

Personalize

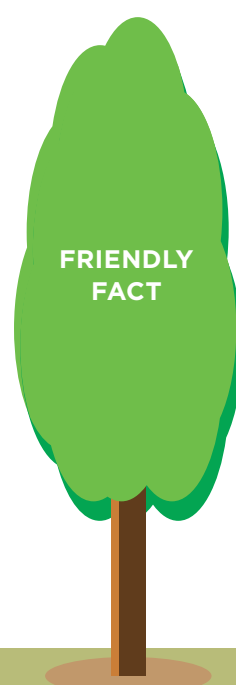
Help meet your goals with the right product

An investment advisor can tell you about the different kinds of annuities, including:

Immediate **Fixed**
Fixed indexed **Variable**

When you discuss your retirement goals with your advisor, he or she can suggest an annuity — or a combination of annuities — that's right for your needs.

Your advisor may be aware of various annuity riders or features that can help create smart, tailored and more complete coverage to suit your goals.



Similar to a 401(k) plan, an annuity may have tax advantages. As a result, the government typically limits your access to withdrawals until after you're 59½. Any earlier and there's a 10% early withdrawal penalty.

Propel

Imagine the possibilities for growth

TAX-DEFERRED POTENTIAL

Over time, annuities can accumulate with the advantage of tax-deferred growth. It lets you:

Delay paying taxes. Principal, interest and capital gains may accumulate tax free until you withdraw them. The benefit is that, when you withdraw them during retirement, you're likely to be in a lower tax bracket.

Build value. By delaying taxes until withdrawal, your account can retain more value. By deferring taxes, you can use the power of compound interest to boost the base of your account with each passing year. Over time, it can add up to more retirement wealth.

GROWTH POTENTIAL

Some options offer growth potential. Here's how:

You gain buying power. Some investments are beyond reach because minimum investment amounts are too high. Annuities can help because you're in a larger group of investors.

You can skip fees or taxes. You may be able to exchange between investments without fees or tax consequences.

You can manage your investments yourself or use a money manager. It's your choice.



Not all annuities are created equal. Your advisor can tailor your plan to your goals, so each annuity will differ in terms of:

Time frames	Tax implications	Payment dates
Fees	Risk/reward	Security
Rider options (lifetime income and death benefits)	Flexibility	Spousal protection
	Rate lock-ins	

Provide

Income, legacy and spousal opportunities

Annuities are uniquely designed to be able to provide you with lifetime income options, legacy planning and spousal opportunities.

Lifetime income Achieved through the use of annuitization at no cost or via a lifetime income benefit rider available for an additional cost.

Legacy Most annuities have a return of premium standard death benefit (your beneficiary gets back what you put in at a minimum), however, you have the opportunity to purchase enhanced death benefit riders that could increase the amount left to loved ones.

Spousal opportunities You're able to cover the life of your spouse on your annuity, either on a death benefit or a lifetime income benefit; please note that some carriers may charge a fee for these services.

Protect

Plan for what—and who—matters most

ANNUITIES ALSO PROVIDE DEATH BENEFITS TO A LOVED ONE.

You can pass your assets to beneficiaries while avoiding the costly probate process. Married couples can also choose spousal protection.

SIMPLY SPEAKING

Spousal protection is a lot like having dual airbags; the plan offers security for both of you. With spousal protection, your Mr. or Mrs. is protected in the event that you pass away first. Your spouse then has the flexibility to choose:

CONTINUATION
Continue the contract at the death benefit amount

or

FULL PAYOUT
Take a lump-sum distribution

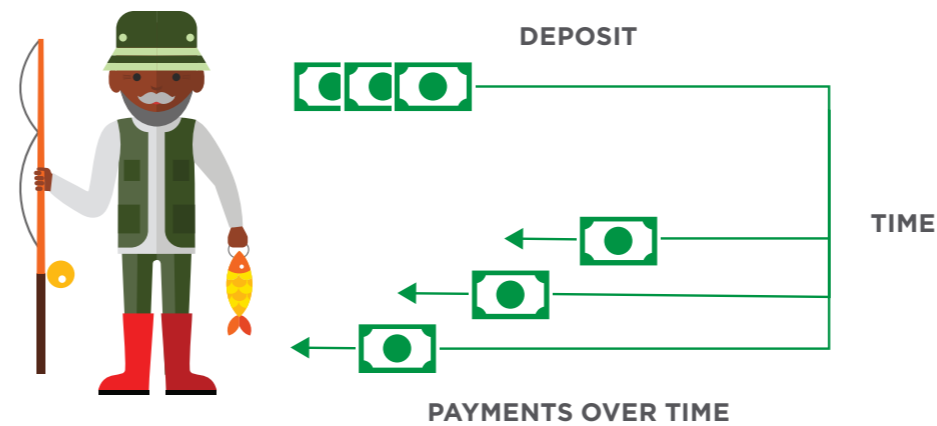
Tip: Ask your advisor about annuity providers that offer spousal protection on qualified money as well as non-qualified money.



An immediate annuity is the most basic type of annuity. You make one lump-sum contribution. It's converted into an ongoing, guaranteed stream of income for a specified period of time (as few as five years) or for a lifetime. Withdrawals must begin within a year.

Immediate annuities

This option is designed for those who plan to withdraw money in the first year, or for someone who has access to other retirement income and wants guaranteed income for the rest of their life or for a set period of time.



What are the benefits?

Tax advantages If you fund your immediate annuity with money you've already paid taxes on, you'll have a source of income that's partially tax free.

Immediate You begin receiving guaranteed payments within the first year.

Customized guaranteed income Create income for either one or two people for a specific period of time or for life.

Income You can receive a fixed, guaranteed amount on a set schedule. It helps, for example, if you want to budget living expenses over a long time, such as retirement.

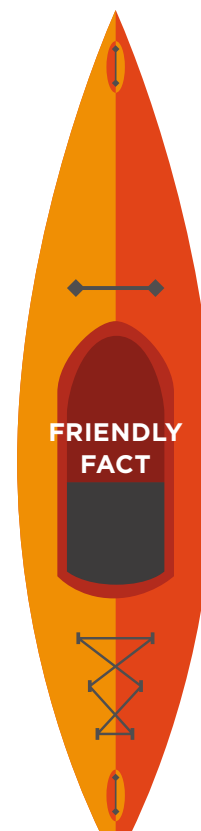
Additional features for added protection On some products, you may have options for a cost-of-living adjustment (to protect against inflation) and a liquidity feature (to allow lump-sum withdrawals in the event of a financial emergency). Liquidity benefits may be available for an additional cost. Keep in mind that not all annuity providers offer these features.

What should you consider before purchasing?

It's not for everyone. This product may not be right for you if you:

- Have enough income to maintain your cost of living and don't need income security
- Need immediate and continuous access to cash and have little retirement savings

Options matter. There are many different payout options, and your investment advisor can help guide you.



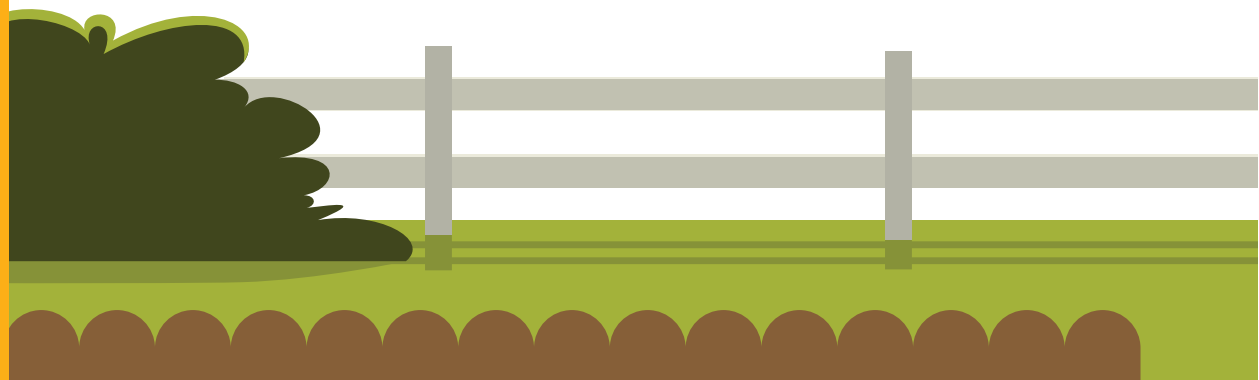
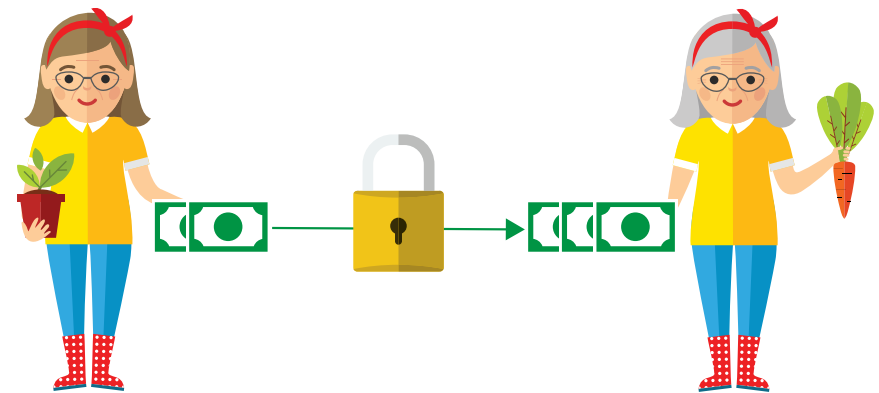
Immediate annuities offer a cost-of-living adjustment (COLA) feature. To help offset inflation, this feature automatically increases your annual payment amount by 1%, 2%, 3%, 4% or 5% compounded annually.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Fixed annuities allow you to lock in a rate of earning that, even over long periods of time, remains unaffected by market ups and downs. The principal investment and a specified interest rate are both guaranteed.

Fixed annuities

This may be a good choice for those who want a guaranteed interest rate without market participation (minimal investment risk, but still a chance to grow money at a set interest rate).



What are the benefits?

Tax deferral The tax-deferred status allows you to benefit from compounded growth.

Principal and interest protection It offers minimal investment risk exposure but still provides the opportunity to grow money at a set interest rate. The rates are generally higher than CDs from a bank.

No market risk It offers guaranteed interest rates without exposure to market fluctuations.

Flexibility If choosing to annuitize your contract for lifetime income, you have the ability to choose from different payout options: set payments for a specified period or a lifetime stream of income.

Lower investment minimums They usually require only \$1,000 to \$10,000 for an initial investment.

Beneficiary protection You can pass assets to beneficiaries and avoid the costly probate process. Optional riders at an additional cost can enhance the amount that beneficiaries may receive upon the annuity owner's passing.

What should you consider before purchasing?

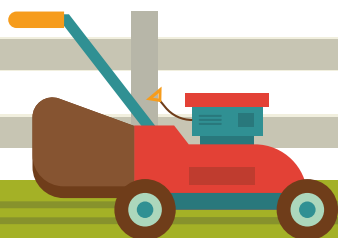
Less opportunity for growth Without market participation, growth opportunity is minimal compared with variable annuities, but there's also less risk.

Inconsistent rates Some rates can be offered for a fixed period and then drop after that set period of time.

Interest may not keep up with inflation If this happens, you could lose buying power.



Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.



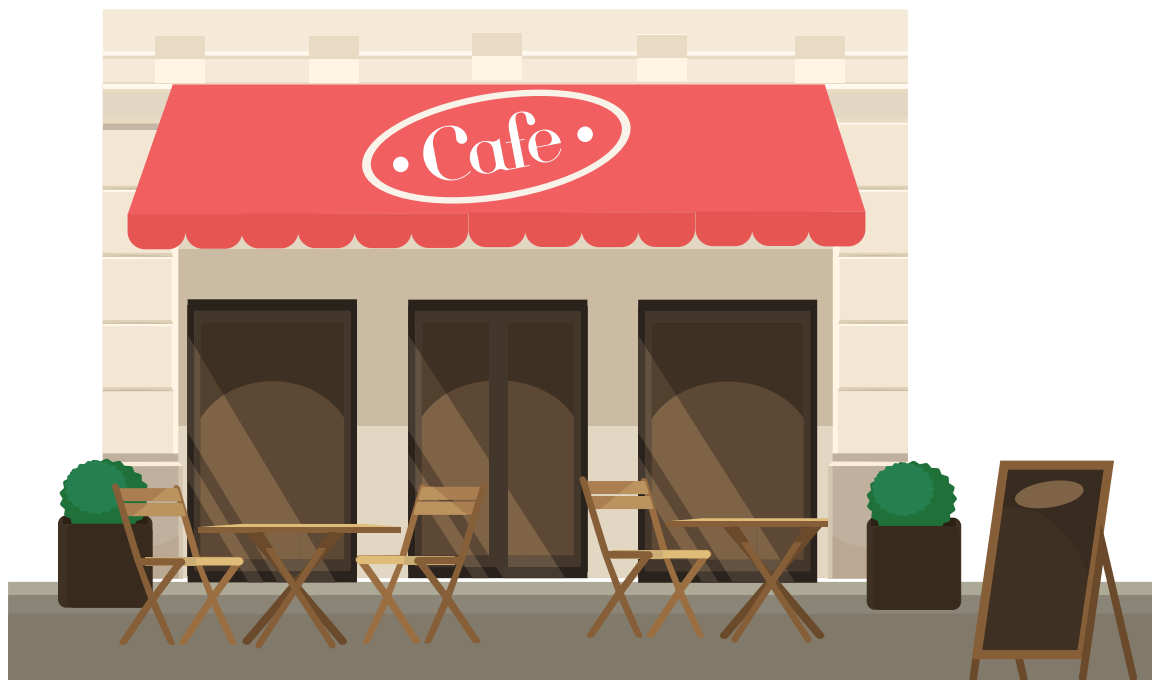
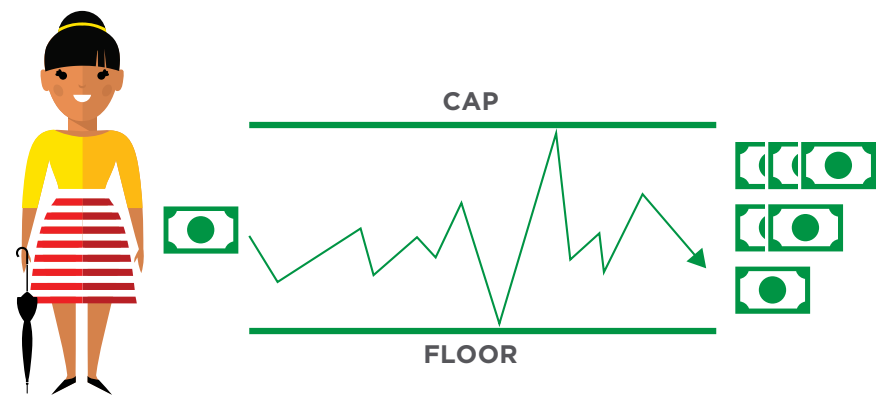
A fixed indexed annuity is a tax-deferred, long-term investment option that provides principal protection in a down market and opportunity for growth.

It gives you more growth potential than a fixed annuity along with less risk and less potential return than a variable annuity.

Returns are based on the changes in a securities index such as the S&P 500® Index, a collection of 500 stocks intended to represent a broad segment of the market. As an investor, you are never directly invested in the index.

Fixed indexed annuities

This option may appeal to those who want a chance for upside gains in a good market while also receiving a level of protection from possible downturns.



What are the benefits?

Tax deferral The tax-deferred status allows you to benefit from compounded growth.

Principal protection The original deposit will not decline if the index performs negatively.

Lifetime income At an added cost, a rider is often available to guarantee set payments regardless of how long you and your spouse (if elected) live. Or, lifetime income can be achieved through annuitization at no additional cost.

Investment flexibility Growth potential can be achieved through the performance of the index or through a fixed interest rate earned on the fixed account — or a combination of the two. Your investment advisor can help you find the best combination for you. It's good to know that a fixed indexed annuity is not an actual investment in an index; it's only tied to the index performance.

Earnings credited At the end of each term, earnings are credited; at that point, they cannot be affected by negative index performance. Some carriers offer a feature that allows you to take advantage of index highs during your term.

Beneficiary protection You can pass assets to beneficiaries and avoid the costly probate process. Optional riders at an additional cost can enhance the amount that beneficiaries may receive upon the annuity owner's passing.

Spousal opportunities Most companies offer spousal continuation only upon the first spouse's death and don't pay a death benefit until the second spouse passes. However, some carriers do offer a joint option that covers the death of either spouse upon the first passing.

What should you consider before purchasing?

GAINS CAN BE LIMITED

With this type of annuity, gains can be limited by elements such as participation, caps and interest. However, this product does offer protection from down markets.

Actual rates of return may depend on any withdrawals, surrender charges, market value adjustments or premium taxes, if applicable.

PLANS ARE OFTEN COMPLEX

The jargon for fixed indexed annuities can be tough to understand, so your financial advisor can guide you. The following can help:

Caps: To offer you both opportunity and protection, some indexed annuities have a maximum rate, or cap.

Cap	Index performance	Increase to annuity value
5%	+8%	5%
5%	+5%	5%
5%	-3%	0%

Participation rates: The participation rate is how much of an index increase you actually receive. The higher your participation rate, the more of an index performance you'll receive. Your participation rate has the potential to change with each term.

Here's an example: If your participation rate is 80% and the index increases by 10%, you'll earn 8% ($0.80 \times 0.10 = 0.08$). Or if the index increases 5% with your participation rate being 80%, your gain would be 4%.

Index performance	Participation rate	Earnings
10%	80%	8%
5%	80%	4%
-5%	50%	0%

Fees (also margins or spreads): The fee is generally subtracted from the earnings.

Index performance	Participation rate	Earnings	Fee	Earnings after fee deduction
12%	75%	9%	2%	7%
5%	80%	4%	2%	2%
-5%	80%	0%	2%	0%

These examples are hypothetical in nature and do not predict the performance of any specific product.

Surrender schedules: Surrender schedules for fixed indexed annuities may be longer than other investments. Please work with your advisor to determine what works best for your retirement plan.



The S&P 500® has over \$9.9 trillion benchmarked to the index, with indexed assets comprising approximately \$3.4 trillion of this total.¹

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

¹ S&P 500®, <https://us.spindices.com/indices/equity/sp-500> (accessed Aug. 8, 2018).

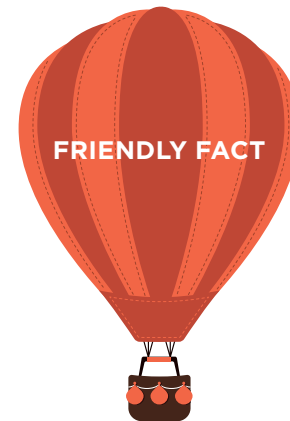
A variable annuity is, like other annuities, a long-term investment option that can grow tax deferred.

With a variable annuity, your contract value will fluctuate based on the overall performance of the subaccounts you're invested in. The performance is driven by the ups and downs the market may experience.

You can choose from a selection of investments that includes subaccounts such as stocks, bonds and money markets. Your financial advisor can tell you more about how subaccounts work. You can also tailor your contract to meet more of your needs by purchasing optional riders.

Variable annuities

This option may be a good choice for those who want the long-term opportunity for growth in the market and who are able to handle the risks that come with the market's ups and downs.



Investors who own annuities, across all wealth segments, are more confident that their savings and investments won't run out, even if they live into their 90s.²



² "Singlehood in Retirement: A Study of Retirees," LIMRA Secure Retirement Institute (March 2018)

What are the benefits?

Tax deferral The tax-deferred status allows you to benefit from compounded growth.

Investment choices Unlike their fixed counterparts, variable annuities give you a chance for long-term capital growth through investment in subaccounts (professionally managed options that invest in stocks, bonds and other instruments).

Flexibility Choose from different levels of risk and potential growth. You can also, on some accounts, exchange between subaccounts without fees or tax consequences.

Lifetime income Income you can't outlive is obtained either through annuitization at no additional cost or through the use of an optional rider that guarantees income for a single person or to also cover your spouse when a joint option is selected.

Beneficiary protection You can pass assets to beneficiaries and avoid the costly probate process. Optional riders can also enhance what beneficiaries receive upon the annuity owner's passing.

Spousal opportunities Most variable annuities offer a spousal protection feature to the surviving spouse upon the death of the other spouse. Only certain carriers can offer this benefit on IRA contracts.

What should you consider before purchasing?

Risk of decline As with mutual funds, if the underlying investments chosen for the annuity decline, the annuity's contract value also declines.

Surrender schedules They're best used for a long-term contract, because taking out money early can trigger charges.

Higher fees Fees may be higher when compared with investments such as mutual funds.

SIMPLY SPEAKING

They're called "variable" because their value fluctuates based on market performance. This is in contrast to fixed annuities, which provide a guaranteed interest rate regardless of what may happen in the market.



Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Riders may not be available on all products; they are optional features that are available at an additional cost. They allow your financial advisor to tailor your coverage and help protect what is most important to you.

Riders and features

WHAT ARE THE VARIOUS TYPES OF RIDERS?

Keep in mind that riders are optional and come with an additional cost.

Death benefits They allow you to pass assets to beneficiaries while potentially avoiding the time-consuming and costly probate process. Death benefits may be used to:

- Continue payments to a designated beneficiary
- Pay for the owner's final costs (such as funeral, burial or estate planning)
- Benefit a charity or organization that has been named as a beneficiary

Generally, most annuity contracts waive surrender charges for a death benefit, as well as for a terminal illness.

Most products offer a standard death benefit — often the return of premium.

Some annuities offer optional death benefits that let you lock in the highest amount (annually or monthly) or a set rate of interest (typically 3% to 5%) even if you pass away when performance is down.

Living benefits Living benefit riders provide guaranteed lifetime income for you (and your spouse, when elected) that:

- Can include guaranteed increases or “roll-ups” for your future income
- Offer consistent lifetime payouts that are based on the age when you begin taking income



HOW DOES THE SPOUSAL PROTECTION FEATURE WORK?

As an example, Nationwide® offers a Spousal Protection Death Benefit Feature.* It helps spouses provide for each other no matter who passes away first and no matter which spouse owns the contract. With spousal protection, the surviving spouse can choose to:

- Receive a guaranteed death benefit, or
- Continue the contract at the amount of the death benefit or contract value, whichever is higher

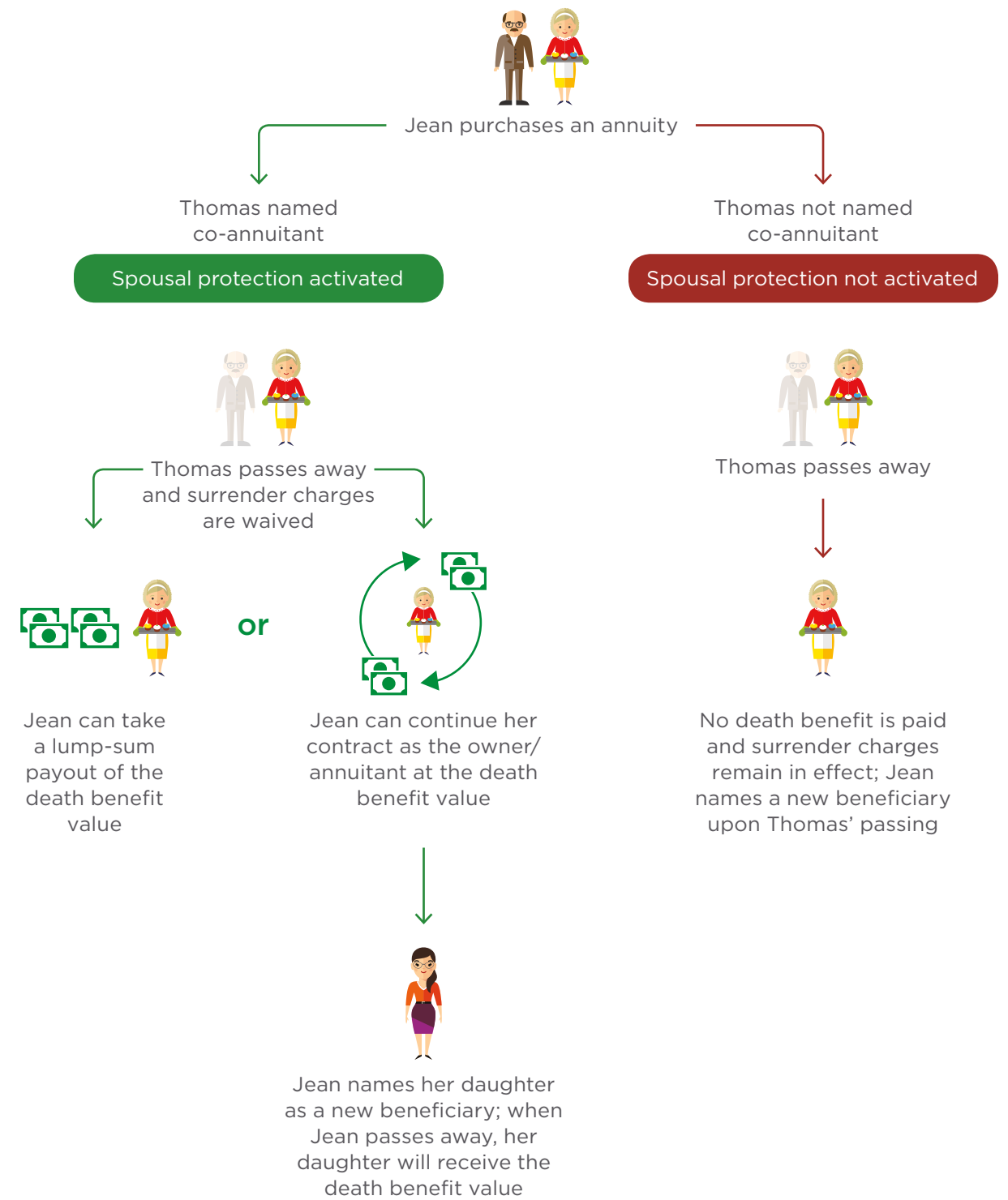
Nationwide is the only provider who can offer a Spousal Protection Death Benefit Feature on “qualified money” such as IRA accounts.³

Spousal protection is available on most Nationwide variable annuities at no additional cost. The benefits include:

Protection The death benefit is payable to the surviving spouse regardless of who owns the contract. This includes IRAs.

Flexibility Surviving spouses have the flexibility to continue the policy tax deferred without surrender fees as a new owner or take a lump sum (again, without fees) to help meet their new life needs.

Availability This feature is available on qualified or nonqualified money.



* This feature applies to legally married couples.

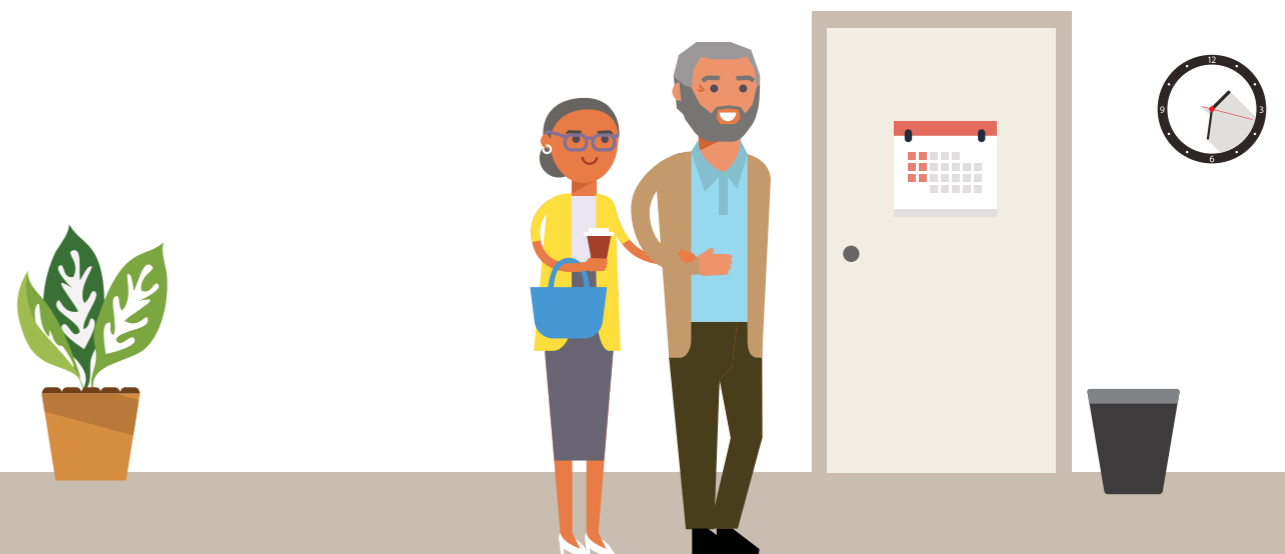
³ VARDS, vards.com (October 2018).

When it comes to annuities, understanding fees is key, and Nationwide is here to help you understand your investment and know the value of your options.

Understanding your investment

While mutual funds may average 1.5% in fees per year and an index may charge less than 0.5% percent a year, with annuities, investors pay for death benefit protection and for the guarantee that through optional riders or annuitization, they won't outlive their income.

While variable annuities generally have higher fees than other investment options, typically between 2% and 3% a year, they offer guarantees and death benefit protection not provided by other investment products.



STRAIGHT TALK ABOUT THE FEES

Fees depend on the annuity product chosen. The following are charges or fees that can be applied to an annuity — and a translation about what they really buy you. Investors should talk with their advisor to understand which charges or fees apply to them.

Administrative or contract maintenance fees

These are the costs of maintaining the policy, including accounting and record keeping.

SIMPLY SPEAKING

These fees cover the costs to manage the account.

Mortality and expense risk charge

This fee (also called an M&E risk charge) compensates the provider for guaranteeing that annuity purchase rates and charges will not change regardless of mortality rates or actual expenses.

SIMPLY SPEAKING

This fee guarantees that your cost won't change over time.

Underlying subaccount expenses

These costs are deducted from underlying sub-account assets and pay for fund management distribution (12b-1) fees and other expenses.

SIMPLY SPEAKING

This fee covers management or fund costs, which differ for each fund.

Contingent deferred sales charge (CDSC)

This pays for sales expenses such as commissions, promotions and sales materials. It is deducted from the investor's cash value if the contract is surrendered before the end of the surrender period. If the contract is surrendered after the specified period of time, there are no CDSC charges.

SIMPLY SPEAKING

If you cancel the annuity early, this is the fee that you'd need to pay.

Add-on rider benefits

Optional riders, as selected by you and your advisor, may be added to the annuity. Fees vary based on the benefits the rider gives.

SIMPLY SPEAKING

These fees cover the costs of making your annuity more meaningful to you.

Additional provisions

Certain annuities and providers may have provisions and fees that are different from those stated here. A financial advisor can help you understand any additional annuity fees.

SIMPLY SPEAKING

These are miscellaneous fees.

A CLOSER LOOK AT COMMISSION

Financial advisors get paid on annuities in two ways:

Commission based The financial advisor is paid a commission by the insurance provider based on the dollar amount invested in each individual annuity contract.

Fee based The financial advisor is not paid a commission by the insurance company, but instead is paid a percentage of the premium (value of the account) by the annuity owner on an ongoing basis. This fee typically ranges between 1% and 3%.

LOWER LIQUIDITY

Annuities are geared toward long-term retirement planning, so they come with a high surrender fee during a specified period of time (typically 7 to 10 years). If money is withdrawn after this time period, no surrender fees are levied.

The price for a guarantee Insurance companies take on risk when issuing annuities. Longer surrender periods help mitigate that risk to pay for the guarantees that come with some annuities.

Limiting withdrawals If a contract is annuitized, the payments are set. That means investors are not able to withdraw any amount at any time. This is because set payments and a set schedule keep investors from outliving their income.

COMPLEXITY CREATED BY CUSTOMIZING

Many annuity products and options are available, which can make understanding them difficult for investors. However, it's the complexity that allows investors the flexibility to customize the annuity to meet their individual needs.



Choosing a provider

The insurance company issuing the annuity is just as important as the annuity you choose

THE PROVIDER SHOULD BE:

Strong

All guarantees are made by the insurance company and are subject to its ability to pay claims. So it's important to choose a company that's financially stable, such as Nationwide.

Experienced

A company should protect what matters most. Nationwide is strong and stable, and has protected its clients for 90 years, ensuring that their investment will be there when they're ready to retire.

Stable

A company should be diversified, offering a breadth and depth of annuity solutions in addition to other insurance and investment solutions. That is how Nationwide takes advantage of market opportunities to help advisors best meet each client's individual needs while also mitigating risk and providing a stable company to invest in.

Talk to your financial advisor to learn more about how an annuity can benefit your retirement plan.

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.

Variable products are sold by prospectus. Carefully consider the investment objectives, risks, charges and expenses. The product and underlying fund prospectuses contain this and other important information. Investors should read them carefully before investing. To request a copy, go to [nationwide.com/prospectus](https://www.nationwide.com/prospectus) or call 1-800-848-6331.

Guarantees and protections are subject to the claims-paying ability of the issuing insurance company.

Products are issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio. The general distributor for variable products is Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

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