Help protect your standard of living in retirement

Consider an alternative to traditional savings options
We’ve experienced a lot of market volatility over the last few years. Those ups and downs have led many people to place their retirement savings in options such as savings accounts and CDs.

What to look for inside

1. Savings accounts and CDs\(^1\) can be comfortable short-term options, but they have a long-term risk.
2. Their modest returns might not keep up with inflation, which could affect standard of living in retirement.
3. A fixed indexed annuity could offer principal protection while helping to combat inflation risk.

Important details

As you consider whether Nationwide Peak is right for your needs, we want you to have important details about the product.

A fixed indexed annuity is a contract you buy from an insurance company to help you potentially accumulate assets for retirement. It offers returns based on the changes in an index, such as the S&P 500\(^*\) Composite Price Index.

You can receive earnings when the underlying index goes up, but your principal and earnings are also protected from downturns. This means you won’t lose principal or credited earnings based on negative index returns.

A fixed indexed annuity is not a stock market investment and does not directly participate in any stock or equity investment. A fixed indexed annuity may be appropriate for those who want the opportunity to capture some upside potential while having a level of protection from market downturns.

Withdrawals taken before age 59½ may incur a 10% early withdrawal federal tax penalty in addition to ordinary income taxes; withdrawals may trigger surrender charges and reduce your death benefit and contract value.

Please keep in mind that annuities have limitations. They are designed for long-term retirement goals. They are not meant to be used as emergency funds, as income for day-to-day expenses or to fund short-term savings goals.

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.

\(^1\) Certificates of Deposit are insured by the FDIC, offer a fixed rate of return and, if held to maturity, provide a guaranteed return of principal.
A closer look at inflation and cost of living

It’s recommended that people have enough money saved to cover 30 years of retirement.

Over the course of three decades, the effect of inflation on the cost of living can be significant.

We’ve seen the highest inflation in 40 years, driven by soaring food and gas costs, and a 30-year high in housing.

If you are a retiree living on your savings, you can’t keep up the same standard of living if inflation cuts your purchasing power.

Putting your money in a standard savings account may not be enough to offset the difference.

The average interest rate for a savings account is currently 0.21%.

Even in a period of low inflation, that level of return won’t allow money to keep up with the cost of living, especially if most of an individual’s retirement savings are held in traditional savings options.

Growth in a savings account

Here’s a look at the returns that could be expected from placing $50,000 in a savings account earning 0.21% interest.

<table>
<thead>
<tr>
<th>Years</th>
<th>Interest Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 yrs</td>
<td>0.21% — $51,050</td>
<td></td>
</tr>
<tr>
<td>20 yrs</td>
<td>0.21% — $52,100</td>
<td></td>
</tr>
<tr>
<td>30 yrs</td>
<td>0.21% — $53,150</td>
<td></td>
</tr>
</tbody>
</table>

A savings account at the current rate of 0.21% for 30 years earns $3,150.

2 “U.S. Inflation Highest Since 1981 as CPI hits 8.5% in March,” usinflationcalculator.com (April 12, 2022).
A new view toward retirement

How can individuals find a balance between growth potential and protection for the money they’ve worked to save?

To help meet the needs of people who are wary of the stock market but still want growth potential to help maintain their standard of living, we’ve developed a different way to put money aside for retirement.

We created the Nationwide Peak® fixed indexed annuities to offer growth potential and protection and help individuals feel confident about how they’re preparing for the future.

Growth in a fixed indexed annuity

Here’s a hypothetical example of the growth of $50,000 placed in a fixed indexed annuity such as Nationwide Peak.

<table>
<thead>
<tr>
<th>Years</th>
<th>1.5%</th>
<th>2.5%</th>
<th>3.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 yrs</td>
<td>$58,027</td>
<td>$64,004</td>
<td>$70,530</td>
</tr>
<tr>
<td>20 yrs</td>
<td>$67,343</td>
<td>$81,931</td>
<td>$99,489</td>
</tr>
<tr>
<td>30 yrs</td>
<td>$78,154</td>
<td>$104,878</td>
<td>$140,340</td>
</tr>
</tbody>
</table>

A fixed indexed annuity at a rate of 2.5% for 30 years offers an increase of $54,878.

The hypothetical 1.5–3.5% returns shown are not guaranteed but are within the range of reasonable outcomes for a fixed indexed annuity. Actual results may vary.

Of course, growth will depend on a variety of factors over time, including interest rates on cash equivalents and the actual fixed rates and caps associated with your Nationwide Peak fixed indexed annuity.
Putting it together

Choosing a savings solution that fits an individual’s needs and preferences helps provide the freedom to enjoy time in retirement.

Nationwide Peak offers:

**Growth potential with guarantees**

Fixed indexed investments give the potential for higher credited earnings than traditional fixed investments might offer.

To accomplish this, Nationwide Peak offers two types of accounts:

- **Fixed account:** Offers a fixed interest rate guaranteed for the first one-year term. Then, it offers renewal rates guaranteed for each annual term.
- **Index account:** Offers the opportunity for earnings based on the performance of one or more underlying indexes, up to a maximum amount.

**Protection from market risk**

We guarantee that no initial investment or credited earnings will be lost due to the performance of the underlying index.\(^5\)

Just keep in mind that if assets are withdrawn from the annuity, principal could be reduced by surrender charge/contingent deferred sales charges.\(^6\) A market value adjustment may apply.\(^7\)

**Tax deferral to help money grow**

The annuity may grow tax deferred, which has the potential to increase the account value.

Over the years, the potential of tax-deferred growth can build a larger account value than a similar taxable account achieving the same rate of interest.

To learn more about Nationwide Peak, please contact your financial professional.

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\(^5\) Guarantees and protections are subject to the claims-paying ability of Nationwide Life and Annuity Insurance Company.

\(^6\) Contingent deferred sales charges are a fee you may be charged if you take money from your contract before a specified time.

\(^7\) Market value adjustments (MVAs) are amounts added to or subtracted from withdrawals you may take, depending on interest rates. These may not be applicable in all states. While MVAs may reduce credited earnings, they cannot reduce principal.
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If you annuitize a nonqualified annuity, a portion of your payment will be considered a return of premium and will not be subject to ordinary income tax. The amount that is taxable will be determined at the time you elect to annuitize the policy.

All annuity contract and rider guarantees, including optional benefits and any fixed subaccount crediting rates or annuity payout rates, are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the insurance agency from which this annuity is purchased or any affiliates of those entities, and none make any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

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FAM-0647AO.5 (12/22)