



# Nationwide Indexed Principal Protection<sup>®</sup> at a glance

## Background

Nationwide Indexed Principal Protection<sup>®</sup> (NW-IPP), our group fixed indexed annuity, provides principal protection with the opportunity for growth. The investment option may appeal to participants nearing or in retirement who seek to help preserve their retirement plan savings by having some upside exposure to the market with downside protection.

## How it works

<b>Contributions</b>	Every pay cycle, money is deducted from the participant's paycheck and deposited into their retirement plan as normal. Money can also be reallocated from other investment options to NW-IPP via an exchange.
<b>Allocation</b>	Money is allocated according to the participant's 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 the participant's portfolio can be allocated to NW-IPP.
<b>Interest account</b>	At the time of each payroll deduction or lump-sum exchange, money allocated to NW-IPP goes into an interest account, which earns a nominal interest rate.  At the beginning of each calendar quarter, all the money in the interest account is automatically swept into a new index account.
<b>Index account</b>	It's possible to have up to four (4) index accounts at any given time. Each index account has its own cap rate and has a maturity of one year. Interest earnings credited are dependent on the index cap rate and the annual performance of the market index.

## Product basics

<b>Product type</b>	Group flexible purchase payment deferred fixed indexed annuity
<b>Plan types</b>	457(b)/401(k)/401(a)
<b>Minimum initial purchase amount</b>	N/A — any amount can be contributed via payroll deduction or exchange
<b>Index term</b>	1 year
<b>Accounts</b>	<ul style="list-style-type: none"> <li>• <b>Interest account:</b> The annual interest rate is credited daily and will have a guaranteed minimum interest rate of 0.5%</li> <li>• <b>Index accounts:</b> Interest earnings are credited annually based on the performance of the market index without capital gains or dividends, up to the index cap rate and floored at 0%; funds must remain in the index account for the entire 1-year index term to receive interest earnings; a new 1-year index account begins each calendar quarter (it's possible to have up to four index accounts at any time)</li> </ul> <p>Purchase payments are initially allocated to, and accumulated in, the interest account. On the first day of each calendar quarter, funds accumulated in the interest account and all interest earned are automatically swept into an index account.</p>

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## Product basics (continued)

<b>Index</b>	S&P 500® Daily Risk Control 5% USD Excess Return Index
<b>Index cap rate</b>	The index cap rate may vary for each index account; it will always be stated as a percentage and will never be less than the declared guaranteed minimum index cap rate (0%). <sup>1</sup> It is possible to have up to four (4) index accounts at any given time. Each index account has its own cap rate and a maturity of 1 year. Interest earnings are determined by the index cap rate and the annual performance of the market index.

## Participant liquidity

<b>Surrender charge</b>	N/A
<b>Free withdrawals</b>	Full participant liquidity; however, there are a few important details to remember: <ul style="list-style-type: none"><li>• 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</li><li>• 90-day equity wash provisions may apply on exchanges into competing short-term investment options</li><li>• 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 the investment option if participants change their mind</li><li>• Fees associated with plan recordkeeping may still apply, and in some instances, result in a reduction in principal</li></ul>

## Plan liquidity

<b>Market value adjustment (MVA)</b>	An MVA applies if the plan sponsor decides to terminate the contract and chooses the immediate lump-sum payout option. Contract terminations that occur during a 1-year index term will not receive any index account interest earnings for that term(s).
<b>Book value payouts</b>	Minimum 12-month and maximum 5-year terms are available. Index account interest earnings, if any, are credited at the end of each 1-year index term, after which, funds will be redirected to the interest account until all book value funds are paid out.

<sup>1</sup> Guaranteed minimum cap rates may vary by state but will never be less than 0%.



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

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Group fixed indexed annuities are not stock market investments and do not directly participate in any stock or equity investments. The index does not include dividends paid on the underlying stocks, and therefore does not reflect the total return of the underlying stocks; neither a market index nor any fixed indexed annuity is comparable to a direct investment in the equity markets. When you purchase Nationwide Indexed Principal Protection, you are not directly investing in a market index. The actual return of the index account will be based on the performance of the underlying index. It is important to understand that actual returns may be less than the return of the index due to the index cap. Past index performance is not a guarantee of future performance. Provisions of Nationwide Indexed Principal Protection may vary based on plan selection and/or state regulation.

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.

This investment option may not be available in some states.

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