



Nationwide[®]
is on your side

Nationwide Indexed Principal ProtectionSM

A myth-busting guide for plan consultants and sponsors

Nationwide Indexed Principal ProtectionSM (NW-IPP) is a group fixed indexed annuity (FIA) investment option that provides principal protection, no matter what the market does. It also offers the opportunity for asset growth based on the performance of an underlying market index (Index). And it does all this within a retirement plan.

We understand that the idea of using a FIA as an investment option in a retirement plan is new, and that there are many misperceptions about annuities as an investment option — which is why we have created this guide to help dispel some common myths.

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

MYTH #1

Annuities are too expensive and have hidden fees

Not all annuities are alike. NW-IPP is a group fixed indexed annuity that is part of the general account assets of Nationwide.¹ This is different from a traditional variable annuity product, which may have additional rider fees, mortality and expense (M&E) charges, surrender charges or contract maintenance fees.

It's important to remember that fees associated with plan recordkeeping may still apply and, in some instances, result in a reduction in principal.

MYTH #2

Annuities lock up your money for a long time

Actually, if participants need to access their money or want to change investment options, they can. NW-IPP does not have surrender charges, and the participant is free to exchange their assets out of the investment option at any time. **Please be aware that funds must remain in each Index Account for the entire one-year term in order to receive any interest earnings.**

Finally, because NW-IPP is just one of the investment options available in the plan, the participant can have part of their plan balance in NW-IPP and part in any other plan investment, giving them their desired level of diversification and liquidity.

MYTH #3

Annuities are too complex

While some individual annuities do have features that can make them seem confusing, NW-IPP has a simplified design. There aren't as many moving parts as in a typical individual FIA. The cap rate, which is the upper limit of interest earnings that can be credited, is simply stated as a percentage, and the one-year term automatically renews. For participants who want help understanding and interpreting how this investment option fits into their overall portfolio, Nationwide makes nondiscretionary investment advice available to participants through the online My Investment Planner™ tool. Our tool is offered at no additional cost to participants, providing educational resources to help participants navigate their option(s).

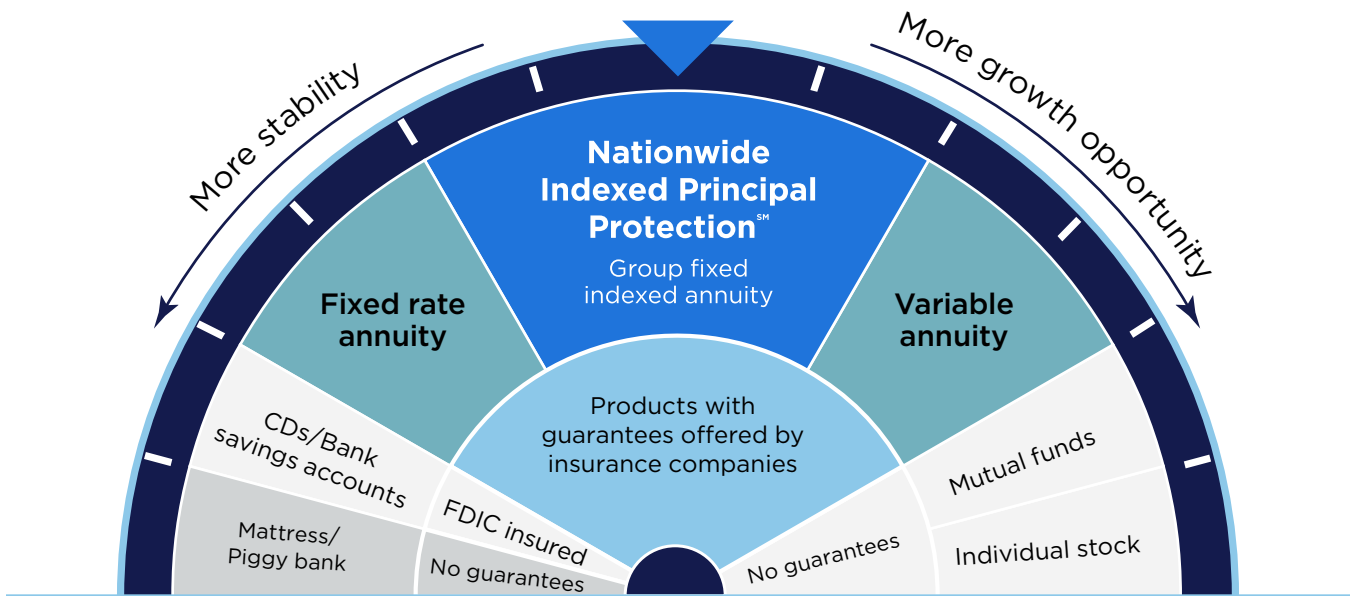
MYTH #4

Annuities are no different from other investments

In truth, as part of a wide range of investment options, a FIA may offer a balance between protection and growth. The graphic below illustrates how NW-IPP fits alongside other options.

¹ NW-IPP may not be available in some states.

Common retirement savings options



MYTH #5

This is a bad economic climate for purchasing annuities

NW-IPP can help provide confidence through unstable market conditions — especially for participants looking for protection of principal while seeking greater return potential than what is likely to be earned through bond investments in the current low-interest-rate environment.

MYTH #6

An in-plan guarantee is just an individual annuity offered within a retirement plan

Group annuities, like individual annuities, are insurance contracts, but there are differences. While an individual annuity is a contract between the insurance company and an individual, a group annuity is a contract between the insurance company and the plan sponsor. When a plan sponsor enters into the group annuity contract, it becomes available in the retirement plan's investment lineup. This enables plan participants to consider the group annuity as part of their overall investment allocations.

MYTH #7

Using an annuity in a tax-deferred vehicle such as a retirement plan is redundant

Like any other in-plan investment option, NW-IPP receives its tax deferral from the plan. However, the value that NW-IPP provides is in its combination of features: safety of principal, and potential for interest earnings based on the performance of an Index (the S&P 500® Daily Risk Control 5% USD Excess Return), with no additional cost or fees for this investment option.



For additional information and resources, visit nrsforu.com/NWIPP
or contact your Nationwide representative.



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 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 ProtectionSM, 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.

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 ProtectionSM 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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