

# Transfer Restrictions and Redemption Fees

Excessive trading (also known as frequent trading or market timing) is the practice of buying and selling investments frequently in an attempt to capitalize on short-term movements or pricing disparities in the market. This practice increases fund expenses, which results in higher fees and adversely affects fund performance for all participants invested in the fund.

## Excessive Trading Policy

Designed to protect participants from the potential negative impacts of market timing, our excessive trading policy imposes a 2.0 percent redemption fee on the sale of assets in each Target Date Fund, the International Fund, and the International Index Fund if the sale occurs within 30 calendar days of purchase (the “holding period”). Proceeds from such fees flow back into the unit value of the fund to compensate for the increased costs resulting from the frequent trading activity.

Funds with Trading Restriction	Holding Period	Redemption Fee Percentage
International Fund	30 calendar days	2.0%
International Index Fund	30 calendar days	2.0%
All Target Date Funds	30 calendar days	2.0%

## How the Restriction Works

### Restricted Amount

Investments subject to the restriction are measured in units, not in dollar amounts, because the number of units in a fund is not impacted by regular increases and decreases in the fund’s value. For instance, if you move \$1,000 into a fund and each unit is valued at \$20, you will have 50 units of the fund ( $\$1,000 \div \$20 = 50$ ). If you later decide to transfer out \$500 and the unit price has risen to \$25, you will be selling 20 units ( $\$500 \div \$25 = 20$ ). You would have 30 units remaining in the fund.

Redemption fees are charged on a “first-in, first-out” (FIFO) basis. That means, when you request a fund transfer out of any of these funds, the units transferred out first will be the units that have been in the fund the longest.

### Holding Period

The 30-day holding period starts on the date you transfer or reallocate money into the fund (trade date is day one). If you make an election to move into the fund after 1:00 p.m. PT (or the close of market, if earlier), the transaction and holding period effective date is the next business day. The holding period is calculated in calendar days. If you transfer units out of these funds on or after day 31 of the holding period, the redemption fee will not apply.

### Activity Impacted

The restriction applies to trading activity within the plan. This includes reallocations of current account balances, fund transfers, and transfers between the core funds and the Charles Schwab Personal Choice Retirement Account® (PCRA). The restriction does **not** apply to regular contributions, loan repayments, loans, withdrawals, or distributions. Additionally, transfers out of the affected funds made via an automatic rebalancing transaction, Online Advice transaction, or Nationwide ProAccount®, the managed accounts program, are not subject to the restriction.

## Redemption Fee Example

Below is a hypothetical example of how the trading restriction works. In this example, you make two requests to transfer money into the Target Date Fund - 2060 and then later transfer a portion of your total account value (600 units) out of the Target Date Fund - 2060.

Date	Activity	TDF - 2060 Fund Value	TDF - 2060 Fund Price	Transactional Units	Closing Balance Units
July 1	Transfer In	\$10,000	\$20.00	500	500
July 7	Transfer In	\$10,000	\$25.00	400	900
August 2	Transfer Out	(\$18,000)	\$30.00	(600)	300

Of the 600 units transferred out, you are not charged a redemption fee on the 500 units purchased on July 1 because the sale of these units occurs more than 30 days after the purchase date. Based on the "first-in, first-out" approach, the units invested in the fund the longest transfer out (sell) first. The remaining 100 units are subject to the redemption fee, as they were invested in your Target Date Fund - 2060 account less than 30 days.

Restricted Amount		Current Unit Value	=	Value Subject to Fee	X	Redemption Fee Percentage	=	Redemption Fee
100 Units	X	\$30.00	=	\$3,000	X	2.0%	=	\$60.00

A \$60.00 redemption fee applies to the 100 units. The remaining \$17,940 of the \$18,000 transfers out of the Target Date Fund - 2060 and into the funds you selected.

## Redemption Fee Amount

To review your newly transferred balances and to see the amount of any redemption fees incurred, log in to your account at [savingsplusnow.com](http://savingsplusnow.com) on the next business day after trade date.

## Redemption Fee Acknowledgment

By proceeding with your request to transfer out of any Target Date Funds, the International Fund, and/or International Index Fund within the 30-day holding period, you acknowledge that you understand the excessive trading policy and agree to pay the redemption fee.

## For More Information

If you have questions, call the Savings Plus Service Center at (855) 616-4776. Customer Service representatives are available 5:00 a.m. to 8:00 p.m. (PT), Monday–Friday.

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